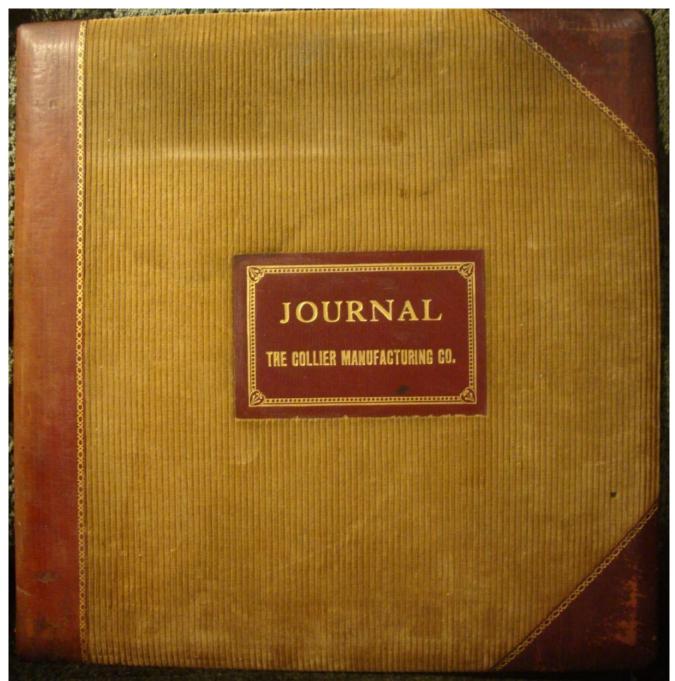
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World War I, Army Undershirts, & President Roosevelt Says "NO"

APRIL 14, 2017 1:08 PM \ LEAVE A COMMENT \ BY COLLIERHERITAGE \ EDIT



April 6, 2017 marked the 100-year anniversary of the entry of United States into World War I. This post documents the involvement of Collier Manufacturing Company in the war effort.

In early 1918, the United States was gearing up to send troops to Europe. By the summer of 1918, US involvement would see approximately 10,000 Americans arrive on the continent each day. To outfit and supply the troops required a massive effort.

To that end, in spring of 1918, representatives of the US War Department approached Collier Manufacturing of Barnesville, Georgia, to supply the army with knit undershirts. According to an affidavit by J. C. Collier, President of Collier Manufacturing Company at the time, the government officials advised the textile manufacturer to work through Clift and Goodrich of New York, instead of directly for the government. The main reason for this was that Clift and Goodrich, regular sellers for Collier Manufacturing, had already posted a bond with the War Department, so much time could be

saved by eliminating the time-consuming red tape of applying for a new bond.

Collier Manufacturing installed equipment for making the undershirts. According to government specifications, the garments were light-weight, short-sleeve pullovers, probably similar to today's T-shirts. Clift and Goodrich secured three contracts dated March 7, May 7, and June 11, 1918. Each contract was for 120,000 undershirts. The price was for 52-1/2 cents per undershirt for the first contract, 56 cents for the second and 58 cent per garment for the third.

The first 60,000 undershirts were inspected, with only 6 garments being rejected (one every ten thousand), and shipping orders were issued by the government. By July 2018, the company had produced enough undershirts to fulfill almost all of the first two contracts, but the government was lagging behind in providing inspections and approving shipping orders. The accumulated undershirts congested available space at the mill, slowing production of these and other garments. Finally, in response to numerous complaints, the government sent three inspectors to the mill. Using testing and methods later deemed to be completely inappropriate by the government, the inspectors rejected many of the undershirts so that on September 5, 2018, the company was notified no more shipments would be accepted "until satisfactory garments could be delivered." In October with the end of the War in sight, the War Department terminated the contracts with Clift and Goodrich. World War I ended three weeks later on November 11, 2018. Collier Manufacturing did not find out about termination of the contracts until May 14, 1919, some seven months after the contracts had been cancelled.

Collier Manufacturing sought to recover its losses through every available means. They filed suit against the US Government in 1923, seeking over \$61,000 in compensation.

Gel- Ohil - Jungle,

IN THE

# United States Court of Claims

No. C-1030

COLLIER MANUFACTURING COMPANY, INC.

VS.

UNITED STATES

### PETITION

(Filed September 11, 1923)

The claimant, Collier Manufacturing Company, Inc., respectfully represents:

1. That it is a duly created corporation under the laws of the State of Georgia, engaged in the manu-

facture of knit underwear, chartered under the name of Collier Manufacturing Company, Inc.

- 2. That on March 7, 1918, and the other dates hereinafter set out, Clift and Goodrich of New York were selling agents of the claimant and were known by the Government officials as the selling agents of the claimant and that contracts made with them were made as agents for the claimant and the contracts No. 1164-A, No.2848-A and No. 3735-A were entered into by said Clift and Goodrich as agents for the claimant and the Government knew that the contracts were with the claimant and treated them as contracts made directly with the claimant.
- 3. That on March 7, 1918, a contract No. 1164-A was entered into between the United States and the claimant through its agents Clift and Goodrich for the manufacture of one hundred and twenty thousand undershirts to be completed August 31, 1918, which contract is filed herewith as Exhibit "A," on May 7, 1918, a similar contract No. 2848-A to be completed October 31, 1918, was similarly entered into, which contract is filed herewith as Exhibit "B"; on June 11, 1918, a similar contract No. 3735-A was similarly entered into to be completed November 1, 1918, which contract is filed herewith as Exhibit "C"; each of the three contracts provided that the undershirts were to be manufactured by the claimant.
- 4. That in the pursuance of said contract the claimant greatly increased its plant and facilities and began the work on the same but was delayed by the Government in completing the contract, the claimant having

at all times pushed the work and was ready and willing to and would have completed the contracts on time but for the acts of the Government and the claimant was never in default on the said contracts or any of them.

- 5. That in September, 1918, the Government started negotiations for the cancellation of the contracts with the claimant and the claimant and Major F. H. Burgher, the Government officer in charge continued negotiations until they arrived at an agreement for the cancellation of the said three contracts, exhibits "A," "B," and "C" above, and the claimant proceeded to carry out the said agreement on its part with Major Burgher for the cancellation of the said three contracts, exhibits "A," "B," and "C," and was at all times willing and anxious to perform its part.
- 6. That while the claimant was thus negotiating with Major Burgher and without the claimant's knowledge, Captain S. W. Shaffer and other subordinate officers of the government secretly negotiated with Clift and Goodrich certain alleged cancellations of the said contracts, exhibits "A," "B," and "C," copies of which alleged cancellation contracts No. 2549 dated October 18, 1918, No. 2546 dated October 22, 1918, and No. 2548 dated October 19, 1918, are filed herewith respectively as exhibits "D," "E," and "F," which said alleged cancelltaion contracts were executed without the knowledge or authority of the claimant by mere agents of the claimant, whom the Government officers knew were agents without authority to cancel and such alleged cancellation was, and is a fraud on the claimant and is not of any force or effect and the only cancellation agreement is the one between Major Burgher and the

5

claimant.

7. Major Burgher and other Government officers were proceeding to settle with the claimant under the cancellation agreement between the said Major Burgher and the claimant until Major Burgher was informed of the aforesaid fraudulent and void cancellation agreements, exhibits "D," "E," and "F," whereupon Major Burgher and other Government officers then refused to settle with the claimant either under the verbal agreement between the claimant and Major Burgher or under the original agreements, exhibits "A," "B," and "C," whereby on account of such refusal of the Government officer to settle and pay the claimant the accounts due it under its contracts, exhibits "A," "B," and "C" and violations thereof, and its verbal agreement with Major Burgher and violation thereof, the claimant is justly entitled to receive and recover from the United States of America, the sum of \$61,530.02 after allowing all credits and set offs as is shown by a statement of account herewith filed as part of this petition as Exhibit "G." This claim was presented to the Secretary of War and denied.

8. That the claimant is sole owner of the claim set forth in this petition, no assignment or transfer of the same or any part thereof or interest therein has been made. Claimant is justly entitled to receive and recover from the United States of Amreica for and on account of the violation of the said agreements the sum of \$61,530.02 after allowing all credits and set offs. The claimant has at all times borne true allegiance to the Government of the United States and has not in any way aided, abetted or given encouragement to its

enemies. The claimant believes the facts stated in this petition to be true.

Wherefore, claimant prays judgment against the United States of America in the sum of \$61,530.02 and for such other and further relief as this Honorable Court might grant both at law and in equity in the premises.

COLLIER MANUFACTURING COMPANY, INC.

By D. C. Collier, Vice President.

State of Georgia,

County of Lamar, to wit:

I, D. C. Collier, being first duly sworn, depose and state that I am the Vice President of the Collier Mfg. Company, the claimant, and that I subscribed the above petition; that I have read the same and that the facts therein stated are true to the best of my knowledge, information and belief.

D. C. COLLIER.

Subscribed and sworn to before me this 11th day of July, 1923. Given under my hand and official seal this 11th day of July, 1923.

J. A. CASON, Notary Public.

RAYMOND M. HUDSON,
Attorney for the Claimant,
Continental Trust Building,
Washington, D. C.

### EXHIBIT "A."

Q. M. C. Form No. 108 Revised Form approved Nov. 30, 1914.

CONTRACTOR

CONTRACT FOR SUPPLIES TO BE DELIVERED IN BULK AT DEPOTS AND TO PURCHASING QUARTERMASTERS FOR DISTRIBUTION OR USE IN MANUFACTURES, ETC.

### 1164-A.

To be used for all purchases of supplies, clothing, wagons, harness, bacon, etc., which are purchased in bulk or large quantities to be delivered at depots or to purchasing quartermasters.

BETWEEN Colonel H. J. Hirsch, Q. M. Corps, U. S. Army,

AND Clift & Goodrich,

For Furnishing and delivering Undershirts,
To Quartermaster Corps, U. S. Army,

DATE CONTRACT March 7th, 1918, CONTRACT EXPIRES August 31st, 1918.

Sureties Waived.

Appropriation and amount S. S. & T. Q. M. C., 1918. Approx. \$63,000.00.

These articles of agreement entered into this 7th day

of March, nineteen hundred and eighteen, between Colonel H. J. Hirsch, Quartermaster Corps, United States Army, of the first part, for and in behalf of the United States of America, and E. I. Goodrich, A. W. Kline, W. C. Jones, M. E. Corbitt, T. McKenzie trading as: Clift & Goodrich (a corporation existing under the laws of the State of ———), of New York, in the County of New York, and State of New York (hereinafter designated as contractor) of the second part: Witness, That the said parties do hereby mutually covenant and agree to and with each other (referring to any advertisement, circular to bidders, and specifications hereto attached or referred to herein, or pertaining hereto, and to sample referred to herein or in said advertisement, circular to bidders or specifications, which, so far as they are applicable, form a part of this contract) as follows:

1. That the said contractor shall furnish and deliver the following-named supplies in the manner, at the rate or prices, at the place or places named herein, at the time or times stated, and for such supplies so delivered and accepted, the said contractor shall receive the price as specified below; and that the supplies so delivered shall be like and equal in all respects to the (change accordingly if other samples are to govern) sample submitted by contractor and now on file in the office of the Depot Quartermaster at Atlanta, Ga., and each piece or article, or package thereof, as the case may be, shall be marked with the contractor's name, date of the contract, and depot of delivery, as directed by the receiving officer, if practicable, viz:

The quantity of Undershirts stated, at the price stipulated and other conditions specified in the letter of

award hereto attached, and in the correction of award also attached.

- 2. That the United States shall have the right at any time to inspect, in the manner deemed necessary, by duly authorized officer or agent, the articles in process of manufacture and to reject any materials or workmanship not conforming to requirements; the action of such inspector to be in an advisory capacity only, the final inspection to be made at the place where delivery is required.
- 3. That the articles herein contracted for shall be examined and inspected, without unnecessary delay after being delivered, by a person or persons appointed by the United States; and upon such inspection, the articles found to be in all respects as required by this contract shall be received and become the property of the United States. Any and all articles that may, upon such inspection, be condemned or rejected, shall be removed from the premises by the Contractor within ten days after the said contractor or his agent shall have been notified of such rejection; otherwise, at the risk and expense of the contractor.
- 4. That it is mutually agreed and understood between the said parties that the separate quantities of supplies to be delivered under this contract may be increased or decreased, at the option of the United States at any time or times during the continuance of this contract, not exceeding the percentage thereof indicated in the circular to bidders hereto attached; and if no percentage of increase or decrease are named in the circular to bidders this contract will not be subject

to increase or decrease. In case of change in the quantity required by increase or decrease, notice in writing of such change will be served upon the contractor by the Contracting Officer.

- 5. That for and in consideration of the faithful performance of the stipulations of this contract, the contractor shall be paid, at the office of the contracting officer, or by a disbursing officer designated by him to make payments, the prices stipulated in this contract for those supplies delivered and accepted; and, except as otherwise provided, payments will be made as soon after the acceptance of such delivery as is practicable and funds on hand for the purpose will admit.
- 6. That in the performance of this contract the said contractor shall not, directly or indirectly, employ any person undergoing sentence of imprisonment at hard labor which may have been imposed by a court of any State, Territory, or municipality, having criminal jurisdiction, nor permit such employment by any person furnishing labor or material to said contractor for use in fulfillment of this contract.
- 7. That it is expressly agreed and understood that this contract shall be noneffective until an appropriation adequate to its fulfillment is granted by Congress and is available, except in so far as is necessary to provide for the necessities of the service as authorized by section 3732 of the Revised Statutes of the United States. In order, however, to provide for the necessities of the service as authorized by section 3732 of the Revised Statues of the United States, it is agreed that the supplies specified herein, so far as authorized by

said section, shall be delivered at the time and in the manner required under this contract, and that payments for the supplies so delivered and accepted shall be made as soon as it is practicable after funds are available under appropriations therefor by Congress.

8. That in case of the failure of the contractor to perform any part of this contract the party of the first part, or his successor, shall have the right to supply the deficiency by procurement in open market, or otherwise, purchasing any of the supplies so required at such place as he may elect, with a view of obtaining the same promptly and at the same time endeavoring to secure fair and reasonable prices (the articles procured to be the kind herein specified, as near as practicable), at the expense of the contractor; and in case failure should occur prior to the time fixed for performance of all parts of the contract the right is hereby reserved to the United States to elect whether the contractor shall be permitted to continue performance as to such remaining part (deficiency by reason of any further failure to be supplied as above) or whether the entire unperformed part shall be procured at the expense of the contractor. In event, however, of the granting of additional time for performance, the cost of inspection and other expenses and damages to the United States over what would have been incurred had performance been accomplished by the time originally fixed, therefor, if any, except in so far as the same may arise from delays for which the United States is responsible, as determined in each of these particulars by the officer in charge or higher authority, shall be charged to the contractor and may be deducted from any money due or to become due said contractor from the United States; Provided, That where additional time has been granted the United States shall also have the right to cause the remaining part of the contract, or any portion thereof, to be taken from the contractor whenever, in the opinion of the officer in charge, reasonable and satisfactory progress is not being made, and to secure completion at the expense of the contractor, including charges as above on account of delays.

- 9. That the contractor shall hold and save the United States, and all officers and agents thereof, harmless from and against all demands of any nature and kind for or on account of the use of any patented article, combination, or process which may affect the material delivered or work done under this contract.
- 10. That neither this contract nor interest therein shall be transferred to any other party or parties, and in case of such transfer the United States may refuse to carry out this contract either with the transferor or the transferee, but all rights of action for any breach of this contract by said contractor are reserved to the United States.
- 11. That the following changes or alterations were made in this contract before it was signed by the contracting parties, viz: Article 13 and irrelevant words in Article 1 stricken out.
- 12. That no Member or Delegate to Congress, or Resident Commissioner, nor any person belonging to or employed in the military service of the United States, is, or shall be, admitted to any share or part of

this contract, or to any benefit which may arise herefrom, but, under the provision of section 116 of the Act of Congress approved March 4, 1909 (35 Stats. L., 1088), this stipulation, so far as it relates to Members of or Delegates to Congress, or Resident Commissioners, shall not extend or be construed to extend, to any contract made with an incorporated company for its general benefit.

In witness whereof, the parties aforesaid have hereunto placed their hands the date first hereinbefore written, and the contracting officer hereby certifies that if the contractor is a corporation that said officer has satisfied himself of the authority of the person signing the contractor's name to bond the contractor and has wiaved the requirements of Army Regulations as to the filing of written evidence of said authority.

> H. J. Hirsch, Colonel, Quartermaster Corps, U. S. A.

### Witnesses:

S. J. Nelson, as to By H. M. Schapuck,

Captain, Q. M. R. C.

CLIFT & GOODRICH,

Bernard Whiten, as to By E. J. GOODRICH,

Member of Firm.

(Executed in triplicate)

March 7, 1918.
422.2-145-SE Contract No. 1164-A.
Purchasing & Contracting Officer, S. & E. Div.

Clift & Goodrich, 330 Broadway, New York, N. Y. Award of Contract.

1. In accordance with your offer, contract is awarded you for furnishing and delivering to this Corps, F. O. B. Barnesville, Georgia:

Approximately:

120,000 summer cotton ribbed undershirts, as per Specifications No. 1300, Type 6, at \$.525 each.

DELIVERY: 12,000 undershirts during March; 18,000 during each, April and May 24,000 during each June, July and August, 1918.

SIZES: 140-36; 350-38; 360-40; 110-42; 30-44; 10-46 per 1000:

- 2. Three samples of each of the garments contracted for should be forwarded promptly to Knit Goods Branch, Supply & Equipment Division, 357 Fourth Ave., New York, N. Y., for approval.
- 3. These garments to be made by Collier Mfg. Co., Barnesville, Ga., and to be inspected and accepted at the Mills.
- 4. Contract will be dated March 7, 1918, and numbered "1164-A." Payments thereunder will be made by the Depot Quartermaster, Atlanta, Ga., who will have entire charge of the contract.

5. Bond for the faithful fulfillment of this contract is hereby waived.

6. It is agreed and understood that in the event of

any goods being rejected, the Government shall be permitted to exercise to option of purchasing these goods at a reduction in price to be agreed upon and determined between the Government and the contractor at the time of purchase of the rejected goods before the goods can be disposed of elsewhere.

7. Please acknowledge receipt.

Purchasing & Contracting Branch:

By H. J. Hirsch, Colonel, Q. M. Corps, Chief of Branch.

K-242 Zkr-M.

422.2-145-SE

Purchasing & Contracting Officer, S. & E. Division. Clift & Goodrich, 330 Broadway, New York, N. Y. Contract No. 1164-A.

- 1. Referring to your Contract No. 1164-A, dated March 7th, 1918, for furnishing and delivering 120,000 Summer Cotton Ribbed Undershirts to this Corps, you are informed that the original award is hereby changed to provide for this Underwear to be shipped on Government B/L to be furnished you by the Depot Quartermaster at Atlanta, Ga., to the Atlanta, Ga., Depot of this Corps; and for the Underwear to be accepted at the Depot instead of at the Mill.
- 2. All the other terms and conditions of the said award are to remain unchanged.

3. Please acknowledge receipt.

Purchasing & Contracting Branch:

By H. J. Hirsch, Colonel, Q. M. Corps, Chief of Branch.

Zkr/LN.

### EXHIBIT "B."

Q. M. C. Form No. 108 CONTRACTOR Revised form approved Nov. 30, 1914.

CONTRACT FOR SUPPLIES TO BE DELIVERED IN BULK AT DEPOTS AND TO PURCHASING QUARTERMASTERS FOR DISTRIBUTION OR USE IN MANUFACTURES, ETC.

### 2848-A

To be used for all purchases of supplies, clothing, wagons, harness, bacon, etc., which are purchased in bulk or large quantities to be delivered at depots or to purchasing quartermasters.

Between: Colonel H. J. Hirsch, Q. M. Corps, U. S.

Army.

And Clift & Goodrich

For Furnishing and delivering Undershirts

At To Q. M. Corps, U. S. Army

Date Contract May 7th, 1918. Contract Expires Oct. 31st, 1918.

Sureties Waived

Appropriation and amount S. S. & T. Q. M. C., 1919, Approx. \$67,200.00.

These articles of agreement entered into this 7th day of May, Nineteen hundred and eighteen, between Colonel H. J. Hirsch, Quartermaster Corps, United States Army, of the first part, for and in behalf of the United States of America, and E. I. Goodrich, A. W. Kline, W. C. Jones, M. E. Corbitt and T. McKenzie, trading as Clift & Goodrich (a corporation existing under the laws of the State of \_\_\_\_\_\_), of New York, in the County of New York and State of New York (hereinafter designated as contractor) of the second part: Witness: That the said parties do hereby mutually covenant and agree to and with each other (referring to any advertisement, circular to bidders, and specifications hereto attached or referred to herein, or pertaining hereto, and to samples referred to herein or in said advrtisement, circular to bidders or specifications, which, so far as they are applicable, form a part of this contract) as follows:

1. That the said contractor shall furnish and deliver the following-named supplies in the manner, at the rates or prices, at the place or places named herein, at the time or times stated, and for such supplies so delivered and accepted, the said contractor shall receive the prices as specified below; and that the supplies so delivered shall be like and equal in all respects to the standard samples (change accordingly if other samples are to govern) on file in the office of the Depot Quartermaster at Atlanta, Ga., and each piece or article or package thereof, as the case may be, shall be marked with the contractor's name, date of contract, and depot delivery, as diercted by the receiving officer, if practicable, viz:

The quantity of Undershirts stated, at the price

stipulated and other conditions specified in (a) the copy of letter of award No. 2848-A, dated May 7th, 1918, hereto attached.

- 2. That the United States shall have the right at any time to inspect, in the manner deemed necessary, by duly authorized officer or agent, the articles in process of manufacture and to reject any materials or workmanship not conforming to requirements; the action of such inspector to be in an advisory capacity only, the final inspection to be made at the place where delivery is required.
- 3. That the articles herein contracted for shall be examined and inspected, without unnecessary delay after being delivered, by a person or persons appointed by the United States; and upon such inspection, the articles found to be in all respects as required by this contract shall be received and become the property of the United States. Any and all articles that may, upon such inspection, be condemned or rejected, shall be removed from the premises by the contractor within 10 days after the said ocntractor or his agent shall have been notified of such rejection; otherwise, at the risk and expense of the contractor.
- 4. That it is mutually agreed and understood between the said parties that the separate quantities of supplies to be delivered under this contract may be increased or decreased, at the opinion of the United States, at any time or times during the continuance of the contract, not exceeding the percentages thereof indicated in the circular to bidders this contract will not be subject to increase or decrease. In case of change

in the quantity required by increase or decrease, notice in writing of such change will be served upon the contractor by the contracting officer.

- 5. That for and in consideration of the faithful performance of the stipulations of this contract, the contractor shall be paid, at the office of the contracting officer, or by a disbursing officer designated by him to make payments, the prices stipulated in this contract for those supplies delivered and accepted; and, except as otherwise provided, payments will be made as soon after the acceptance of each delivery as it is practicable and funds on hand for the purpose will admit.
- 6. That in the performance of this contract, the said contractor shall not, directly or indirectly, employ any person undergoing sentence of imprisonment at hard labor which may have been imposed by a court of any State, Territory or municipality, having criminal jurisdiction, nor permit such employment by any persons furnishing labor or materials to said contractor for the use in fulfillment of this contract.
- 7. That it is expressly agreed and understood that this contract shall be non-effective until appropriation adequate to its fulfillment is granted by Congress and is available, except in so far as necessary to provide for the necessities of the service as authorized by section 3732 of the Revised Statutes of the United States, it is agreed that the supplies specified herein, so far as authorized by said section, shall be delivered at the times and in the manner required under this contract, and that payments for the supplies so delivered and accepted shall be made as soon as it is practicable

after funds are available under appropriations therefor by Congress.

8. That in case of the failure of the contractor to perform any part of this contract, the party of the first part, or his successor, shall have the right to supply the deficiency by procurement in open market, or otherwise, purchasing any supplies required at such place as he may elect, with a view of obtaining the same promptly and at the same time endeavoring to secure fair and reasonable prices (the articles procured to be the kind herein specified, as near as practicable), at the expense of the contractor; and in case failure should occur prior to the time fixed for performance of all parts of the contract the right is hereby reserved to the United States to elect whether the contractor shall be permitted to continue performance as to such remaining part (deficiency by reason of any further failure to be supplied as above) or whether the entire unperformed part shall be procured at the expense of the contractor. In event, however, of the granting of additional time for performance, the cost of inspection and other expenses and damages to the United States over what would have been incurred had the performance been accomplished by the time originally fixed therefor, if any, except in so far as the same may arise from delays for which the United States is responsible, as determined in each of these particulars by the officer in charge or higher authority, shall be charged to the contractor and may be deducted from any money due or to become due said contractor from the United States: PROVIDED, That where additional time has been granted the United States shall have also the right to cause the remaining part of the contract, or

any portion thereof, to be taken from the contractor whenever, in the opinion of the officer in charge, responsible and satisfactory progress is not being made, and to secure completion at the expense of the contractor, including charges as above on account of delays.

- 9. That the contractor shall hold and save the United States, and all officers and agents thereof, harmless from and against all demands of any nature or kind for on account of the use of any patented article, combination or process which may affect the material or work done under this contract.
- 10. That neither this contract nor any interests therein shall be transferred to any other party or parties, and in case of such transfer the United States may refuse to carry out this contract either with the transferor or the transferee, but all rights of action for any breach of this contract by said contractor are reserved to the United States.

11. That the following changes or alterations were made in this contract before it was signed by the contracting parties, viz:

Article 13 was stricken out x x x x x x x x x words twelfth (12th) to twenty-sixth (26th) and seventieth (70th) to eighty-fourth (84th), inclusive, in article 12 stricken out x x x x x x x x x x

12. That no Member or Delegate to Congress, or Resident Commissioner, is, or shall be, admitted to share any part of this contract, or to any benefit which may arise herefrom, but, under the provisions of sec-

tion 116 of the Act of Congress approved March 4, 1909 (35 Stats. L., 1088), this stipulation, shall not extend, or be construed to extend, to any contract made with an incorporated company for its general benefit.

In witness whereof, the parties aforesaid have hereunto placed their hands the date first hereinbefore written, and the contracting officer hereby certifies that if the contractor is a corporation that said officer has satisfied himself of the authority of the person signing the contractor's name to bind the contractor and has waived the requirements of the Army Regulations as to filing of written evidence of said authority.

H. J. HIRSCH,

Colonel, Quartermaster Corps, U.S.A.

Witnesses:

M. P. Fluhr, as to

By S. W. Shaffer,

Captain, Q. M. R. C.

CLIFT & GOODRICH,

O. L. Richard, as to By E. I. GOODRICH.

(Executed in triplicate)

May 7, 1918.

422.2-145-SE-P. "Contract No. 2848-A."

Purchasing officer, S. & E. Div.

Clift & Goodrich, 330 Broadway, New York, N. Y. Award of contract.

Contract is awarded you as follows:

1. QUANTITY AND DESCRIPTION OF AR-TICLE: Approximately one hundred Twenty Thousand (120,000) undershirts, cotton ribbed, as per specifications No. 1300 type No. 6, a copy of which specifications will be annexed to the written contract and is by reference made a part thereof.

- 2. SIZES per 1,000 undershirts: 36-140; 40-360; 42-110; 44-30; 46-10;
- 3. PRICE Fifty Six Cents each (\$.56).
- 4. Delivery F. O. B cars Barnesville, Ga.; approximately Sixty Thousand (60,000) Shirts during September, and the remaining Sixty Thousand (60,000) Shirts during October, 1918, all monthly deliveries to be made in equal weekly quantities.
- 5. INSPECTION. The undershirts are to be made by the Collier Mfg. Co., Barnesville, Ga., and are to be inspected and accepted at the mills; the goods are to be baled in a manner satisfactory to the contracting officer.
- 6. SAMPLES. Three samples of the undershirts contracted for should be forwarded promptly for approval to the Knit Goods Branch, 357 Fourth Ave., New York, N. Y.
- 7. REJECTED GOODS. This award is made with the express understanding and provision that the Government may purchase any goods which may be rejected under this award and contract at a reduction in price to be agreed upon and fixed by the Government and the Contractor, and in the event that the Government and the Contractor fail to agree upon a price for such rejected goods, then the price shall be fixed by the Price Fixing Committee of the War Industrial

Board. In the event that any rejected goods are so purchased, such goods shall then apply toward the full amount of goods to be supplied under this award and contract and in that respect alone. This award is made with the further understanding and provisions that the Government shall be offered all goods rejected hereunder before such rejected goods can be disposed of elsewhere.

- 8. Waiver of Bond. Bond for the faithful fulfillment of this contract is hereby waived.
- 9. ACCEPTANCE OF AWARD. Please acknowledge receipt and advise this office in writing of your approval and acceptance of this award, at once. Upon receipt of your written acceptance, contract upon the customary Government form, dated May 7th, 1918, numbered "2848-A" and including the provisions of this award, will be forwarded to you for execution. Payments under the contract will be made by the Depot Quartermaster, Atlanta, Ga., who will have entire charge of this contract.

Colonel H. J. Hirsch, Q. M. Corps, Purchasing Officer. By S. W. Shaffer, Captain, Q. M. R. C.

OFFICIAL COPY TO DEPOT QUARTERMAS-TER, ATLANTA, GA., for his information and with request that he take entire charge of the contract; as soon as formal contract papers have been executed, copy of contract will be furnished him.

By Authority of Acting Quartermaster General.

Captain, Q. M. R. C.

In addition to the ordinary precautions heretofore adopted by the contractor for the guarding and protection of its/his/their plant and work, the contractor shall provide such additional watchmen and devices for protection of its/his/their plant and property and the work in process for the War Department against espionage, acts of war and of enemy aliens as may be required by the Secretary of War. The contractor, shall, when required, report to the Secretary of War the citizenship, country of birth or alien status if any or all of its/his/their employees. When required by the Secretary of War, it (he) they shall refuse to employ, or if already employed, forthwith discharge from employment and exclude from its/his/ their works any person or persons designated by the Secretary of War for cause as undesirable for employment on work for the War Department.

### EXHIBIT "C."

Q. M. C. Form No. 108. CONTRACTOR Revised form approved Nov. 30, 1914.

CONTRACT FOR SUPPLIES TO BE DELIVERED IN BULK AT DEPOTS AND TO PURCHASE QUARTERMASTERS FOR DISTRIBUTION OR USE IN MANUFACTURES, ETC.

CB No. 3735-A

To be used for all purchases of supplies, clothing, wagons, harness, bacon, etc., which are purchased in bulk or large quantities to be delivered at depots or to purchasing quartermasters.

Between Colonel H. J. Hirsch, Q. M. Corps, U. S.

Army

And Clift & Goodrich

For Furnishing and delivering undershirts.
To Quartermaster Corps, U. S. Army.

Date Contract June 11, 1918. Contract expires

Sureties Waived

Appropriation and Amount SS & T. Q. M. C. 1919 Approx. \$69,000.00

These articles of agreement entered into this 11th day of June, Nineteen hundred and eighteen, between Colonel H. J. Hirsch, Quartermaster Corps, United States Army, of the first part, for and in behalf of the United States of America, and E. I. Goodrich, A. W. Kline, W. C. Jones, M. E. Corbett and T. McKenzie, trading as Clift & Goodrich (a corporation existing under the laws of the State of New York), of New York, in the County of New York, and State of New York (hereinafter designated as contractor) of the second part: WITNESS, That the said parties do hereby mutually covenant and agree to and with each other (referring to any advertisement, circular to bidders, and specifications hereto attached or referred to herein, or pertaining hereto, and to samples referred to herein or in said advertsement, circular to bidders or specifications, which, so far as they are applicable, form a part of this contract) as follows:

1. That the said contractor shall furnish and deliver the following-named supplies in the manner, at the rates or prices, at the place or places named herein, at the time or times stated, and for such supplies so delivered and accepted, the said contractor shall receive the prices as specified below; and that the supplies so delivered shall be like and equal in all respects to the standard samples (change accordingly if other samples are not to govern) on file in the office of the Depot Quartermaster at Atlanta, Ga., and each piece or article, or package, thereof, as the acse may be, shall be marked with the contractor's name, date of the contract, and depot of delivery, as directed by the receiving officer, if practicable, viz:

The quantity of Undershirts stated at the price stipulated and other conditions specified in (a) the copy of letter of award No. 3735-A, dated June 11, 1918, hereto attached.

- 2. That the United States shall have the right at any time to inspect, in the manner deemed necessary, by duly authorized officer or agent, the articles in process of manufacture and to reject any materials or workmanship not conforming to requirements; the action of such inspector to be in an advisory capacity only, the final inspection to be made at the place where delivery is required.
- 3. That the articles herein contracted for shall be examined and inspected, without unnecessary delay after being delivered, by a person or persons appointed by the United States; and upon such inspection, the articles found to be in all respects as required by this contract shall be received and become the property of the United States. Any and all articles that may, upon such inspection, be condemned or rejected, shall be removed from the premises by the contractor within 10 days after the said contractor or his agent shall have

been notified of such rejection; otherwise, at the risk and expense of the contractor.

- 4. That it is mutually agreed and understood between the said parties that the separate quantities of supplies to be delivered under this contract may be increased or decreased, at the opinion of the United States, at any time or times during the continuance of the contract, not exceeding the percentage thereof indicated in the circular to bidders hereto attached; and if no percentage of increase or decrease are named in the circular to bidders this contract will not be subject to increase or decrease. In case of change in the quantity required by increase or decrease, notice in writing of such change will be served upon the contractor by the contracting officer.
- 5. That for and in consideration of the faithful performance of the stipulations of this contract, the contractor shall be paid, at the office of the contracting officer, or by a disbursing officer designated by him to make payments, the price stipulated in this contract for those supplies delivered and accepted; and, except as otherwise provided, payments will be made as soon after the acceptance of each delivery as is practicable and funds on hand for the purpose will admit.
- 6. That in the performance of this contract the said contractor shall not, directly or indirectly, employ any person undergoing sentence of imprisonment at hard labor which may have been imposed by a court of any State, Territory, or municipality, having criminal jurisdiction, nor permit such employment by any person furnishing labor or materials to said contractor for use

in fulfillment of this contract.

7. That it is expressly agreed and understood that this contract shall be non-effective until an appropriation adequate to its fulfillment is granted by Congress and is available, except in so far as is necessary to provide for the necessities of the service as authorized by section 3732 of the Revised Statutes of the United States. In order, however, to provide for the necessities of the service as authorized by section 3732 of the Revised Statutes of the United States, it is agreed that the supplies specified herein, so far as authorized by said action, shall be delivered at the times and in the manner required under this contract, and that payments for the supplies so delivered and accepted shall be made as soon as it is practicable after funds are available under appropriations therefor by Congress.

8. That in the case of the failure of the contractor to perform any part of this contract the party of the first part, or his successor, shall have the right to supply the deficiency by procurement in open market, or otherwise, purchasing any of the supplies so required at such place as he may elect, with a view of obtaining the same promptly and at the same time endeavoring to secure fair and reasonable prices (the articles procured to be the kind herein specified, as near as practicable), at the expense of the contractor; and in case failure should occur prior to the time fixed for performance of all parts of the contract the right is hereby reserved to the United States to elect whether the contractor shall be permitted to continue performance as to such remaining part (deficiency by reason of

any further failure to be supplied as above) or whether the entire unperformed part shall be procured at the expense of the contractor. In event, however, of the granting of additional time for performance, the cost of inspection and other expenses and damages to the United States over what would have been incurred had performance been accomplished by the time originally fixed therefor, if any, except in so far as the same may arise from delays for which the United States is responsible, as determined in each of these particulars by the officer in charge or higher authority, shall be charged to the contractor and may be deducted from any money due or to become due said contractor from the United States: Provided, That where additional time has been granted the United States shall also have the right to cause the remaining part of the contract, or any portion thereof, to be taken from the contractor whenever, in the opinion of the officer in charge, reasonable and satisfactory progress is not being made, and to secure completion at the expense of the contractor, including charges as above on account of delays.

9. That the contractor shall hold and save the United States, and all officers and agents thereof, harmless from and against all demands of nay nature or kind for or on account of the use of any patented article, combination, or process which may affect the material delivered or work done under this contract.

10. That neither this contract nor any interest therein shall be transferred to any other party or parties, and in case of such transfer, the United States may refuse to carry out this contract either with the trans-

feror or the transferee, but all rights of action for any breach of this contract by said contractor are reserved to the United States.

11. That the following changes or alterations were made in this contract before it was signed by the contracting parties, viz: Article 13 stricken out. Words "nor any person belonging to or employed in the military service of the United States," and "so far as it relates to members of or Delegates to Congress, or Resident Commissioners," in article 12, stricken out.

12. That no members of or Delegates to Congress, or Resident Commissioner, or shall be, admitted to any share or part of this contract, or to any benefit which may arise herefrom, but, under the provisions of section 116 of the Act of Congress approved March 4th, 1909 (35 Stats. L., 1088), this stipulation, shall not extend or be construed to extend, to any contract made with an incorporated company for its general benefit.

In witness whereof, the parties aforesaid have hereunto placed their hands the date first hereinbefore written, and the contracting officer hereby certifies that if the contractor is a corporation that said officer has satisfied himself of the authority of the person signing the contractor's name to bind the contractor and has waived the requirements of Army Regulations as to the filing of written evidence of said authority.

H. J. HIRSCH,

Witnesses:

Colonel.

Louis Schechter, as to By S. W. Shaffer,

Captain, Q. M. R. C.

CLIFT & GOODRICH,

A. S. Richard, as to By E. I. GOODRICH,

Member of Firm.

(Executed in triplicate)

WAR DEPARTMENT
OFFICE OF THE QUARTERMASTER GENERAL
OF THE ARMY
NEW YORK CITY

Address reply to Contracting Branch

CLOTHING & EQUIPAGE DIVISION, 109 East 16th Street New York City.

> June 11th, 1918. CONTRACT NO. 3735-A

File No. 422.2-145-CE-C

From: Contracting Officer: C. & E. Div.

To: Clift & Goodrich, 330 Broadway, New York, N. Y.

Subject: Award of Contract for Undershirts.
Contract is awarded as follows:

1. QUANTITY AND DESCRIPTION OF AR-TICLE: Approximately (120,000) one hundred and twenty thousand cotton ribbed undershirts, summer, as per specification No. 1300 type No. 6, a copy of which will be annexed to the written contract, and is by reference made a part hereof.

2. SIZE PER 1000 UNDERSHIRTS: 140-36; 350-38; 360-40; 110-42;

- 3. PRICE OF ARTICLE: Fifty-eight cents (\$.58) each. Total value of contract approximately \$69,600.
- 4. DELIVERY: To be made to this Corps F. O. B. cars Barnesville, Ga., 15,000 undershirts weekly commencing November 1st, 1918.
- 5. INSPECTION AND ACCEPTANCE: The shirts are to be made by The Collier Mfg. Co., Barnesville, Ga., and are to be inspected and accepted at the mills, the goods are to be baled in a manner satisfactory to the contracting officer.
- 6. SAMPLES: Three samples of the garments contracted for should be forwarded promptly for approval to the Knits Goods Branch, 109 East 16th Street, New York, N. Y.
- 7. REJECTED GOODS: This award is made with the express understanding and provision that the Government may purchase any goods which may be rejected under this award and contract, at a reduction in price to be agreed upon and fixed by the Government and the Contractor, and in the event that the Government and the Contractor fail to agree upon a price for such rejected goods, then the price shall be fixed by the Price Fixing Committee of the War Industries Board. In the event that any such rejected goods are not so purchased such goods shall then apply toward the full amount of goods to be supplied under this award and the contract, and in that respect alone. This award is made with the further understanding and provision that the Government shall be offered all goods rejected hereunder before such rejected goods

can be disposed of elsewhere.

8. WAIVER OF BOND: Bond for the faithful fulfillment of this contract is hereby waived.

9. ACCEPTANCE OF AWARD: Please acknowledge receipt and advise this office in writing of your approval and acceptance of this award at once. Upon receipt of your written acceptance contract upon form approved by the Government, date June 11th, 1918, numbered "3735-A" and including the provisions of this award will be forwarded to you for execution. Payments under the contract will be made by the Depot Quartermaster, Atlanta, Ga., who will have entire charge of the contract, and to whom you must address all correspondence pertaining to inspection, delivery and payments.

Colonel H. J. Hirsch, Q. M. Corps, Contracting Officer.

By S. W. Shaffer, Captain, Q. M. R. C.

K-1091 Zkr/KW

OFFICE COPY TO THE DEPOT QUARTER-MASTER, Atlanta, Ga., for his information, with request that he take entire charge of the contract, as soon as formal contract papers have been executed, copy of contract will be furnished him.

By authority of the Acting Quartermaster General: By S. W. Shaffer, Captain, Q. M. R. C.

In addition to the ordinary precautions heretofore adopted by the contractor for the guarding and protection of its/his/their plant and work, the contractor shall provide such additional watchmen and devices for protection of its/his/their plant and property and the work in process for the War Department against espionage, acts of war and of enemy aliens as may be required by the Secretary of War. The contractor, shall, when required, report to the Secretary of War citizenship, country of birth or alien status of any and all of its/his/their employees, when required by the Secretary of War, it/he/they shall refuse to employ, or if already employed, forthwith discharge from employment and exclude from its/his/their works any person or persons designated by the Secretary of War for cause as undesirable for employment on work for the War Department.

### EXHIBIT "D."

SUPPLEMENTAL AGREEMENT NO. 2549, AF-FECTING CONTRACT NO. 1153-A. /// 3/A

SUPPLEMENTAL AGREEMENT entered into this 18th day of October, 1918, between S. W. Shaffer, Major, Quartermaster Corps, United States Army (herein called "contracting officer"), party of the first part, for and on behalf of the United States of America, and E. I. Goodrich, A. W. Kline, W. C. Jones, M. E. Corbett and T. McKenzie, trading as CLIFT & GOODRICH, located in the City, County and State of New York (herein called "contractor"), party of the second part:

WHEREAS, a certain contract was entered into between the parties hereto, No. 1164-A, dated March 7, 1918 (herein called "original contract"), for the furnishing and delivering of approximately 120,000 sum-

mer cotton ribbed undershirts, as per specifications No. 1300 type 6 at \$.525 each; total value of contract being approximately \$63,000; and

WHEREAS, the contractor has delivered approximately 106,332 undershirts of the approximately 120,000 called for in the original contract, and it is to the best interests of the United States Government to modify the original contract to the extent of reducing the number of undershirts to be furnished and delivered thereunder from approximately 120,000 to approximately 106,332 undershirts, thereby effecting a cancellation as to approximately 13,668 undershirts; and the contracting officer having recommended that such modification be made:

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, it is hereby agreed between the parties hereto as follows:

I. That the original contract be, and the same hereby is modified to the extent of reducing the number of undershirts to be furnished and delivered thereunder from approximately 120,000 to approximately 106,332 undershirts, thereby effecting a cancellation and termination of the original contract as to approximately 13,668 undershirts; the value of the garments so cancelled being approximately \$7,175.70.

II. That all other terms and covenants of the original contract shall remain in full force and effect and apply to this agreement as though herein written in full.

III. That any and all debts, liabilities, claims or causes of action, if any, existing between the parties hereto, one against the other, by reason of, or arising out of the aforementioned modification of the original contract, are hereby released and discharged.

IN WITNESS WHEREOF, the parties aforesaid have executed and delivered this agreement in triplicate as of the date first hereinbefore written.

Witness:

(Signed) S. W. Shaffer,
Louis Schechter, as to S. W. Shaffer,

Major, Quartermaster Corps.
T. R. Goldberger, as to Cliff & Goodrich,

By E. I. Goodrich.

### EXHIBIT "E"

SUPPLEMENTAL AGREEMENT NO. 2546, AF-FECTING CONTRACT-2548-A 2848 A

SUPPLEMENTAL AGREEMENT entered into this 22 day of October, 1918, between S. W. SHAFFER, Major Qurtermaster Corps, United States Army (herein called "contracting officer"), party of the first part for and on behalf of the United States of America, and E. I. GOODRICH, A. W. KLINE, W. C. JONES, N. E. CORBETT, and T. McKENZIE, trading as CLIFF & GOODRICH, of the City, County and State of New York (herein called "contractor"), party of the second part:

WHEREAS, certain contract was entered into between the parties hereto No. 2848-A, dated May 7, 1918

(herein called "original contract for the furnishing and delivering of approximately 120,000 cotton ribbed undershirts as per specifications No. 1300 type No. 6 at \$.56 each; the total value of this contract being approximately \$67,200, and

WHEREAS, the contractor has delivered approximately 10,480 undershirts of the approximately 120,000 undershirts called for in the original contract, and it is to the best interests of the United States Government to modify the original contract to the extent of reducing the number of undershirts to be manufactured and delivered thereunder from approximately 120,000 to approximately 10,480 undershirts, thereby effecting a termination and cancellation of the original contract as to approximately 109,530 undershirts; and the contracting officer having recommended that such modification be made:

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained it is hereby agreed between the parties hereto as follows:

I. That the original contract be, and the same hereby is modified to the extent of reducing the number of undershirts to be manufactured and delivered under from approximately 120,000 to approximately 10,480 undershirts, thereby effecting a termination and cancellation of the original contract as to approximately 109,520 undershirts, the approximate value of the undershirts so cancelled being \$61,331.20.

II. That all other terms and covenants of the orig-

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inal contract shall remain in full force and effect and apply to this contract as though herein written in full.

111. That any and all debts, liabilities, claims or causes of action, if any, existing between the parties hereto; one against the other, by reason of or arising out of the aforementioned modification of the original contract, are hereby released and discharged.

IN WITNESS WHEREOF, the parties aforesaid have executed and delivered this agreement in triplicate as of the date first hreein before written.

Witness:

(Signed) S. W. Shaffer,

Louis Schuther, as to S. W. Shaffer,

Major, Quartermaster Corps.

T. R. Goldberger, as to Clift & Goodrich,

By E. I. Goodrich,

Member of Firm.

A true copy
James W. Ballard,
Government Attorney.

### EXHIBIT "F"

SUPPLEMENTAL AGREEMENT NO. 2548, AF-FECTING CONTRACT NO. 3735-A

SUPPLEMENTAL AGREEMENT entered into this 19th day of October, 1918, between S. W. SHAF-FER, Major, Quartermaster Corps, United States Army (herein called "contracting officer"), party of the first part, for and on behalf of the United States of America, and E. I. GOODRICH, A. W. KLINE, W. C.

JONES, M. E. CORBETT and T. McKENZIE, trading as CLIFF & GOODRICH, of the City, County and State of New York (herein called "contractor"), party of the second part.

WHEREAS, certain contract was entered into between the parties hereto, No. 3735-A (dated June 11, 1918 (herein called "original contract") for the furnishing and delivering of approximately 120,000 cotton ribbed undershirts, summer, as per specifications No. 1300, type No. 6, at \$.58 each, total value of contract being approximately \$69,600; and

WHEREAS, it is to the best interests of the United States Government to cancel said original contract, and the contracting officer having therefore recommended that such cancellation be made;

NOW, THEREFORE, in consideration of the promises, it is agreed between the parties as follows:

I. That said original contract be and the same hereby is cancelled and terminated, and any and all debts, liabilities, claims or causes of action, if any, existing between the parties hereto, one against the other, by reason of or arising out of the original contract or this instrument of cancellation, are hereby released and discharged.

IN WITNESS WHEREOF, the parties aforesaid have executed and delivered this agreement in triplicates of the date first hereinbefore written.

Witness:

(Signed) S. W. SHAFFER,

Louis Schuther, as to S. W. Shaffer,

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Major, Quartermaster Corps.
T. R. Goldberger, as to CLIFFN & GOODRICH,

By E. I. Goodrich,

CKB

### EXHIBIT "G"

## SUMMARY LOSSES ON WAR CONTRACTS SUSTAINED BY COLLIER MANUFACTURING COMPANY

U. S. Q. M. was to pay for approximately 46,888 Type 6 Army Undershirts under contract 2848-A at \$.56 for firsts and 15 per cent less for seconds.

Net loss Government Merchandise sold to H. Goldstein Bros. Co., N. Y. City, detailed on Schedule No. 1, At- tached	\$14,082.29
LOSS ON YARNS.	THE RESERVE OF THE PARTY OF THE
The 110,000 lbs. 16's yarns on hand and un-	
der contract cost. See Par. "C"	
We have a total estimated value on the	
110,000 lbs. 16's yarns less commission of	
5 per cent to resell based on offers and	
market quotations, see paragraph "C" 41,210.00	
Total loss on the 110,000 lbs. 16's yarns	26,090.00
Loss on 10 Flatlock W. & G. Machines, second hand	20,000.00
value, Item 1, Par. "C"	2,750.00
Loss on 1 S. & W. Knitting Machine bought for war	Contract of
use, Item 2, Par. "C"	350.00
Item marked 4, par. "C"	272.00
Items marked 3, par. "C," total loss	113.50
Total loss sustained, see par. "D"	5,061.91
	010 710 70
Total	
Interest for six months on \$22,629.70 of net losses sus-	
tained (not including yarns, etc.) from Nov. 12, 1918,	C41 01
to May 11, 1919, at 6 per cent per annum	
Interest on 6,000 lbs. Swift's 16's and 18,000 lbs. Belton	
16's amounting to \$13,770.00 from Nov. 12, 1918 to May 11, 1919, at 6 per cent per annum	
may 11, 1010, at 0 per cent per annum	410.10
Total	\$49,773.80
Total	, 420,. 10.00
attached	
Total	. \$61,530.02

(2) The loss on the special knitting machines to resell

### SCHEDULE NO. 1

COMPUTATION OF LOSSES SUSTAINED BY THE COLLIER MANUFACTURING COMPANY, INC., Barnesville, Georgia, Dated November 22, 1919.

Cost price on Type 6 undershirt is \$6.31 per doz.

### PRIME COST

21,538 Garments or 1794-10/12 Doz first at \$6.32 Cost 25,350 Garments or 2112-1/2 Doz. Seconds at \$6.32 Cost	\$11,343.35 13,351.00
Total cost on Nov. 12, 1918 Interest @ 6% on value (\$24,694.35) Nov. 12, 1918, to August 17, 1919, the date merchandise was sold	
Total cost of above merchandise on August 17, 1919 Net salvage value	\$25,813.86 11,731.57
NET LOSS SUSTAINED	\$14,082.29

### (Paragraph "C")

There is a total of 110,000 pounds 16/1 yarn on hand and under contract and of which the market value is 40c per pound, less 5 per cent commission for selling, also freight and cartage. This gives a net value of 37c per pound. There were large stocks of 16s yarn left over from the Government orders all over the country thus making this number very hard to sell. The above value is arrived at from quotations by Textile papers about April and May, 1919. By comparison of purchase price with net value—37c per pound, we have the following losses and results:

On 6,000 pounds Swift 16s @ 18½c difference	\$1,110.00 3,060.00 16,170.00 2,450.00 3,300.00
	\$26,090.00
(1) The loss on the 10 Flatlock Machines would be at least one-half or 50%, so this loss would be to resell	\$2,750.00

would be one-half or 50% on same as sewing machines, viz	350.00 113.50 272.00
(Paragraph "D")	2
TOTAL LOSS	
Express, freights, etc., of above machines, etc., estimated	\$100.00
1 sealer for baler—no use	10.00
Cost to systematize and change over plant to Government work  Cost to change plant back to civilian work	2,801.03 2,147.38
Total loss	
Sheet M	
Travelling and incidental expenses since May 1, 1919, incurred while handling details for collection of Government Claim  Attorney's fee—Mr. Lyle Colquitt  Interest on claim dated May 1, 1919, principal \$49,773.80 up to January 1, 1923—3 years 7 months @ 6%	\$904.85 250.00 10,601.37
Total	\$11,756.22

IN THE

## United States Court of Claims

NO. C-1030

COLLIER MANUFACTURING COMPANY, INC.
vs.
THE UNITED STATES OF AMERICA

### PLAINTIFF'S REQUEST FOR FINDINGS OF FACT AND BRIEF

The claimant considering the facts hereinafter set forth to be proven and deeming them material to the due presentation of this case in the findings of fact, requests the Court to find the same as follows:

I

That the claimant is a duly created corporation under the laws of the State of Georgia, engaged in the manufacture of knit underwear and is the sole owner of this claim, not having made any assignments thereof, and the claimant and its officers have always borne true allegiance to the United States and have never

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aided, abetted, or given encouragement to the enemies of the United States. (D. C. Collier, p. 43, q. 1 and 2, p. 51, q. 84, 85 and 86).

II

That on March 7, 1918, May 7, 1918, and June 11, 1918, Clift and Goodrich, of New York, were selling agents of the claimant and were known and treated by the Government officials as the selling agents of the claimant; that the contracts entered into in the name of Clift and Goodrich were contracts between the Government and the claimant; that on March 7, 1918, a contract No. 1164-A was entered into between the United States and the claimant through its agents, Clift and Goodrich, for the manufacture of one hundred and twenty thousand undershirts to be completed August 31, 1918, which contract is made a part hereof by reference as Exhibit "A"; on May 7, 1918, a similar contract No. 2848-A to be completed October 31, 1918. was similarly entered into, which contract is made a part hereof by reference as Exhibit "B"; on June 11, 1918, a similar contract No. 3735-A was similarly entered into to be completed November 1, 1918, which contract is made a part hereof by reference as Exhibit "C": each of the three contracts provided that the undershirts were to be manufactured by the claimant. (D. C. Collier, p. 44, q. 5, 7, 8, 9, 10, 13, 14 and 15, p. 52, q. 7 and 8, p. 53, q. 15, 16, 17, p. 54, q. 18 to 28, p. 59, q. 71 and 72) (J. C. Collier, p. 61, q. 1 to 8, p. 62, q. 9 to 19).

Ш

That the Government had sought out the claimant

and requested it to take these contracts, and was informed that the claimant would have to increase its plant and facilities, and the claimant was required by the contracting officer and other Government officers to increase its plant and facilities to carry out the said contracts and was performing them faithfully and satisfactorily and was ready and willing to complete the contracts in full in accordance with specifications, but was prevented from doing so by the Government. (D. C. Collier, p. 45, q. 18, 19, 20, 21, 23, 24 and 25, p. 47, q. 40 and 41, p. 55, q. 36, 37 and 38, p. 57, q. 49) (J. C. Collier, p. 62, q. 20 to 25, p. 66, q. 75 and 76).

TV

That during August, the Government inspectors who were not experienced and were ignorant and knew nothing whatever of inspecting garments began to mutilate and destroy thousands of garments without properly inspecting same so that they could not be used by the Government or by civilian trade; the Government at this time having found that they had practically won the war and it had an exceedingly large excess of orders for such underwear, began negotiations with the claimant for cancellation of the contracts Exhibits "A", "B" and "C", the negotiations being through Maj. F. H. Burgher, who originally negotiated the contracts and signed the requisition and who, on September 22, 1918, agreed that the contracts would be cancelled and the Government was to take and pay for all finished merchandise, both first and seconds, and merchandise in process of manufacture, and that satisfactory inspectors were to be sent to the claimant's plant immediately to inspect the merchandise in process of manufacture and to pay the claimant its losses

under the termination of the contract. (D. C. Collier, p. 48, q. 46 and 47, p. 56, q. 41, p. 46, q. 25 to 29) (J. C. Collier, p. 63, q. 29 to 35).

### V

That while the claimant was thus negotiating with Major Burgher and without the claimant's knowledge, Capt. S. W. Shaffer and other subordinate officers of the Government secretly negotiated with Clift and Goodrich certain alleged cancellations of the said contracts, exhibit "A", "B", and "C", copies of which alleged cancellation of contracts No. 2549, dated October 18, 1918, No. 2546, dated October 22, 1918, and No. 2548, dated October 19, 1918, are made a part thereof by reference as exhibits "D", "E", and "F", which said alleged cancellation contracts were executed without the knowledge or authority of the claimant by mere agents without authority to cancel and such alleged cancellation was, and is a fraud on the claimant and is not of any force or effect and the only cancellation agreement is the one between Major Burgher and the claimant.

### VI

That the Government refused to live u pto the agreement made on September 22, 1918, for the cancellation of the contracts, exhibits "A", "B", and "C", with the claimant, and on October 23, 1918, Major Burgher made an agreement with the claimant through Mr. J. C. Collier that the Government and claimant would cancel the contracts and that the Atlanta depot would send inspectors to the claimant's plant and that the Government.

ment would take over and pay for all the garments which were manufactured and those in process of manufacture and that the unfilled portions of the contract would be cancelled and that the Government would pay the claimant all that it was entitled to, but later the Government refused to carry out this cancellation agreement. (J. C. Collier, p. 65, 2. 50 to 57).

### VII

On November 4, 1918, the Clothing and Equipage Division, by letter, signed by Harry Jacobson, a subordinate officer under Major Burgher, directed to Clift and Goodrich, but mailed direct to the claimant, offered a cancellation of the contracts, Exhibits "A", "B", and "C", the letter, Exhibit "H" to the depositions is made part hereof by reference, but the Government later refused to carry out this agreement to cancel (p. 65, q. 55 to 64); at this time the claimant did not know of the so-called cancellation agreement Exhibits "D", "E", and "F", and did not learn of same until the following Spring (p. 66, q. 69) when claimant repudiated same and has always repudiated same as unauthorized. (p. 59, q. 65 to 70, p. 67, q. 81 to 85).

### VIII

That the claimant by the Government violating its agreement and refusing to carry out the cancellation agreements made directly with the claimant, damaged the claimant to the amount of \$61,530.02, as is set out in detail in Exhibit "G", which is made a part thereof by reference (p. 51, q. 76 to 83, p. 47, q. 33 and 34, p. 66, q. 73, 74 and 77); that the Government auditors never

disputed the figures or the amount of the claimant's losses.

### CONCLUSIONS OF LAW

The Court decides as a conclusion of law that there is justly due and owing to the plaintiff by the defendant the sum of \$61,530.02 without any offsets or deductions.

### STATEMENT OF THE CASE

The claimant early in 1918 was doing a large civilian business in manufacturing underwear, when it was approached by the Government through Lieutenant Stanley, of the St. Louis depot, and Major Power, of the Atlanta depot, requesting the claimant to take Government contracts. The negotiations were continued at Barnesville, Ga., and then the claimant's officers came to Washington where the negotiations were further continued, and then they were consummated in New York, and the contracts were executed by the sales agents of the claimant, Clift and Goodrich, in their effort to save having to give additional bond, as the sales agents were already bonded to the Government; all the parties to the contracts at that time and all the way through treated the claimant as the contractor, and Clift and Goodrich merely as agents. After the battle of Chateau Thierry, the Government finding that the War was practically won, began examining its contracts and discovered that it had contracts far in excess of its future requirements for underwear and it began tactics to force the claimant to give up its contracts or to cancel same. It put three inspectors in the claimant's plant, who were in no way qualified

as inspectors and were ignorant and incompetent, one being a belt boy in an overall factory, one a hundle wrapper in a department store, and the other an unexperienced young man just out of college, and these inspectors in violation of article of Sec. 2 of the contract (p. 8) mutilated and tore up some 25,000 garments and stamped them in such a way that they could not be used for Government or civilian trade and could not be sent to the depot for final inspection.

The contract provides that the inspectors should act only in an advisory capacity and that the final inspections should be at the depot in Atlanta.

The claimant vigorously protested such inspection, and Major Burgher, who originally negotiated the contracts and signed the requisitions for the contracts went into the matter, and stated, as well as Major Walton, that the Government had wrongfully inspected the garments and that it should not have been done, and they promised that they would stop such practices, but they only stopped for a few days.

On September 5, 1918, Major Gray, of the Atlanta depot, sent a telegram: "No further shipments will be received on contract 2848-A until satisfactory garments can be delivered", notwithstanding that the Atlanta depot had not turned down more than 40 or 50 garments under the former contract 1164-A for 120,000 garments, and only a few had been ejected by the Atlanta depot out of the 10,480 garments delivered under contract 2848-A.

The Government officers began then negotiating with the claimant, the negotiations being mainly carried on by Major Burgher, who originally negotiated the contracts and signed the requisitions, and on September 22, 1918, he agreed to cancel all three contracts whereby the Government was to take all the goods manu-

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factured and the goods in process of manufacture and to fairly and justly inspect same and to pay the claimant for losses under the cancellation of the three contracts, Exhibits "A", "B", and "C", notwithstanding there was no cancellation clause, as no percentage of increase or decrease was named in the circulars to bidders and no bids were taken and no circulars were made part of the contract.

That then Major Burgher and other Government officers for some unknown reason refused to carry out this cancellation agreement and to send the inspectors.

Then on October 18, 1918, October 19, 1918, and October 22, 1918, another Government officer, Capt. S. W. Shaffer, without the knowledge of the claimant, and so far as we can learn, without the knowledge of Major Burgher negotiated or claimed to have negotiated certain cancellations of the said contracts, being Exhibits "D", "E", and "F", but it will be noted that the claimant was never informed of the claimed cancellations until the Spring of 1919, when a letter was written to the Company on April 8, 1919 (p. 50) in which Lieutenant Van Horn stated when the cancellation of the contracts were claimed to have been executed and referred to them as "supplemental agreement reducing your contracts," showing that they considered them the claimant's contracts. It will be further noted that Clift and Goodrich not even after that letter admitted ever having executed the so-called cancellation (p. 67, q. 81 to 85) and the Government has never made any effort to prove that they were executed by Clift and Goodrich.

After these so-called cancellations, Major Burgher entered into other negotiations with Mr. J. C. Collier of the claimant on October 23, 1918, and agreed then to another ancellation agreement whereby Major

Burgher agreed to send inspectors down at once and to take what goods claimant had manufactured and the goods in process of manufacture and to cancel the unfilled portion of the contracts and to pay claimant its losses for the cancellation, but Major Burgher failed and refused to carry out this agreement and then on November 4, 1918 (Exhibit "H", p. 70), Mr. Harry Jacobson, who was under Major Burgher, wrote another offer to the claimant, addressed to Clift and Goodrich, but mailed direct to claimant at Barnesville. Ga., which put restrictions on inspections and percentages which had not been in any of the former agreements made by the Government with Mr. D. C. Collier on September 22, 1918, and Mr. J. C. Collier on October 23, 1918, and later the Government refused to live up to the letter of Captain Jacobson, Exhibit "H", this probably because Major Burgher had learned of the socalled cancellation agreements of Clift and Goodrich, but he did not tell claimant of them.

The Government had promised to take care of the interests of the claimant but did not do so, but terminated the three contracts, Exhibits "A", "B", and "C", in violation of their terms and without any right unless the War Statutes gave the Government that right; the claimant has proven the items of this claim and is entitled to judgment.

### BRIEF

It is undisputed that the Government officers, the contracting officer and the ones who were in charge of the performance of the three contracts construed them to be the claimant's contracts and this construction by the parties is binding on the Court. District of Colum-

bia vs. Gallaher, 124 U. S. 505, 8 Sup. Ct. 585, affirming 19 Ct. Cls. 564.

The Government letter of April 8, 1919 (p. 50) refers to them as the contracts of the claimant and not of Clift and Goodrich.

As these contracts were negotiated with the claimant and treated as its contracts and there was no cancellation clause, the Government having refused to comply with same, but having suspended them is liable to the claimant for its damages.

In Russell Motor Company vs. United States, 261 U. S. 514, 43 Sup. Ct. 428, affirming 57 Ct. Cls. 626, the Court made allowances for damages in contracts which were terminated, but did not have a termination or cancellation clause and held that it could do so under the terms of the Statute, but the Court also stated that where there was no termination clause and the Statute did not authorize termination that the claimant was entitled to more items of damage for the violation than was under the Statute.

It does not seem that the Statute governs these contracts and accordingly the claimant is entitled to all the damages claimed, the same having been duly performed and the facts and figures have never been disputed by the Government auditors. Peninsular Stove Co. vs. U. S., 58 Ct. Cls. 36.

Let it be remembered that the Government put on no testimony whatever, denying the fraudulent cancellations of the contracts obtained by Capt. Shaffer from Clift and Goodrich if they were actually signed Clift and Goodrich.

But even after the dates of the so-called cancellations, Major Burgher, who was the real officer in charge, he having originally negotiated the contracts and signed the requisitions, was still supervising the contracts and he was actually negotiating, and did agree to a cancellation whereby the claimant would be paid the amount sued for, Major Burgher having made these verbal agreements for cancellations and the Government having refused to proceed with the work, the claimant is entitled to recover the amount of its claim, \$61,530.02, and judgment for same is prayed.

Respectfully submitted,

RAYMOND M. HUDSON,

Attorney for Claimant.

he Rill passed out of t	he Senate Committee on Claims on May 10, 1934 with the loss amount
	ne Senate Committee on Claims on May 10, 1934 with the loss amount The Committee did not allow interest charges built into the original bill.

# Relief of the Collier Manufacturing Company, Inc.

### HEARING

BEFORE A

# SUBCOMMITTEE OF THE COMMITTEE ON CLAIMS UNITED STATES SENATE

SEVENTY-THIRD CONGRESS

SECOND SESSION

ON

S. 2242

A BILL FOR THE RELIEF OF THE COLLIER MANUFACTURING COMPANY OF BARNESVILLE, GA.

FEBRUARY 14, 1934

Printed for the use of the Committee on Claims



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1934

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### RELIEF OF THE COLLIER MANUFACTURING CO., INC.

### WEDNESDAY, FEBRUARY 14, 1934

United States Senate, Subcommittee of the Committee on Claims, Washington, D.C.

The subcommittee met, pursuant to call, at 3:30 p.m., Senator Hubert D. Stephens presiding.

Present: Senator Stephens.

Also present: Ex-Senator Thomas W. Hardwick, as counsel for the claimant.

Mr. J. C. Collier and Mr. D. C. Collier.

The subcommittee had under consideration the bill S. 2242, for the relief of the Collier Manufacturing Co., of Barnesville, Ga.

Senator Stephens. Senator, you may proceed now.

Mr. Hardwick. For the record, I offer the decision of the United States Court of Claims in Collier Manufacturing Company (Inc.) v. The United States, showing that this case was decided on a purely technical point.

(The decision referred to is attached as an appendix to this

record.)

Mr. HARDWICK. Next I offer a written affidavit from one of these gentlemen, Mr. D. C. Collier, as to the merits of this claim, with an itemized statement of the damages that he claims to have suffered, and I will not take your time and patience to read it, because it will be in the record and I am going to offer this gentleman to testify as to the details.

(The affidavit of Mr. D. C. Collier, referred to, is attached as an

exhibit to this record.)

Mr. HARDWICK. Now I am going to ask that Mr. Collier, Sr., hold up his right hand.

Senator Shephens. We do not swear the witnesses.

### STATEMENT OF J. C. COLLIER

Mr. Hardwick. Mr. Collier, will you please tell Senator Stephens, constituting the subcommittee on this matter, exactly what you know, in a brief, terse way, about this claim that you have against the Government that is embraced in this bill which was introduced by Senator George?

Mr. J. C. Collier. Senator Stephens, I was not the inside mill man. I was the president and executive, and my offices were uptown.

Along in the spring of 1918, we received communications from the depot quartermaster's office at St. Louis, asking for immediate delivery, also future delivery, on shirts for the Army. A little later

we received communications from the depot quartermaster's office at Atlanta, Ga.

I went up and talked with them personally and solicited their business, because at that time we were all in the humor to help in the World War all we could. We knew that the war was coming-I mean by that that we knew that this country was fixing to join the Allies.

I found out just the type of undershirt to make and went back to our mills at Barnesville and took the matter up with my son, Mr. D. C. Collier, who was the vice president and general superin-

tendent of the mill.

We submitted samples to the Atlanta depot quartermaster's office, which pleased them—just what they wanted. In fact, it was copied after the sample that they gave me from the depot quartermaster's

Clift & Goodrich, of New York City, were our sole sales agents on the contract, but these negotiations were all had by the mill, because we checked our own sales, but, naturally, when the time came to take these orders we had them come through Clift & Goodrich, because we did not have to make a bond to the War Department in doing it that way and, secondly, we did not care to make a change in our routine of doing business.

Senator Stephens. Right there, you say that you had negotiations directly with the authorities, with the War Department?

Mr. J. C. Collier. Yes, sir.

Senator Stephens. Do you have any documents relating to that?

Mr. J. C. Collier. Oh, yes, sir.

Senator Stephens. Do you expect to put them in the record?

Mr. J. C. Collier. That is for Mr. Hardwick; I guess so.

Mr. HARDWICK. Yes; we can furnish that.

Senator Stephens. There ought to be something, I think, to indicate that.

Mr. HARDWICK. You have letters from those people?

Mr. J. C. Collier. Plenty of them.

Mr. HARDWICK. We will furnish them for the record.

Mr. D. C. Collier. Most of those negotiations were verbal. Senator Stephens. You might state that some of these communications were verbal, and some in writing.

Mr. D. C. Collier. Most of the negotiations in Atlanta were

verbal, because we are only 56 miles away from Atlanta.

Mr. HARDWICK. That is a preliminary question of not much importance, for this reason, that it is conceded that the contract was signed by Clift & Goodrich, but the contract that Clift & Goodrich signed as your sales agent specified that these undershirts were to be made in your plant, did they not?

Mr. J. C. Collier. Yes; by the Collier Manufacturing Co., of

Barnesville, Ga.

Senator Stephens. And to be shipped from where?

Mr. J. C. COLLIER. To be shipped from the depot quartermaster in Atlanta.

Mr. HARDWICK. And that was the way that it was handled?

Mr. D. C. Collier. May I say something?

Senator Stephens. Yes, sir.

Mr. D. C. Collier. I will say that the procedure in the handling of this order was for the depot quartermaster in Atlanta to furnish directly to the Collier Manufacturing Co. shipping instructions, furnish the bill of lading, and the Collier Manufacturing Co. immediately sent a copy of the invoice to the Government depot in Atlanta and a copy to Clift & Goodrich at the same time. The form of billing of the invoice came through the office of Clift & Goodrich, to conform to the original contract.

Mr. HARDWICK. All right. Now, will you proceed, Mr. Collier?

Mr. J. C. COLLIER. About that time I came East.

Mr. HARDWICK. What time was that? Will you identify that time?

Mr. J. C. Collier. In the spring of 1918.

Mr. HARDWICK. You do not remember the month, do you?

Mr. J. C. Collier. No, sir; I could not give it to you.

Mr. HARDWICK. Was it in the early spring of 1918?

Mr. J. C. Collier. Yes, sir.

Mr. Hardwick. After we had entered the war?

Mr. J. C. Collier. No, sir; we had not gone into the war yet, I do not think—yes, we had.

Mr. Hardwick. We went in on April 7.

Senator Stephens. April 17.

Mr. HARDWICK. Yes; that is right; we went in on April 17. All

right, excuse me.

Mr. J. C. Collier. I stopped in Washington, and went to those little new buildings that you had by the Washington Monument, and the headquarters of the War Department, right behind the main building over there, and called for the quartermaster, and I met a gentleman connected with the knitting-goods division who was the member of the firm of A. S. Haight & Co., of New York. His name was Steve Haight.

I was trying to get at the man that had charge of purchasing. That was before we had gotten any actual order from the War Department, and Mr. Haight said, "Is your name Clem Collier?" That means I. C. Collier, knitting-goods man, of New York City.

I said no, but that my father was I. C. Collier, of Georgia, and that my name was J. C. Collier, and that I was trying to find out the

man who buys knit underwear for the Army.

He said, "You will have to go to New York City, and go to the civilian committee that is doing the buying, up on Sixteenth Street."

All right; I went to New York City that night. I made all arrangements for these orders to be filled, and we secured at that time, or a very few days afterward—I make the arrangements, but I did not get the order at that time—for 120,000 dozen shirts.

Mr. D. C. Collier. 120,000 garments.

Mr. J. C. Collier. That is it; 120,000 garments.

We next went to work to make the merchandise, and to deliver it. and we did it very satisfactorily. Out of the delivery of about 60,000 garments, we had approximately only 60 single garment "rejects" by the Department in Atlanta, and 50 of those, about 52 or 53 of them, were touched up and returned and accepted, so that in reality we only had about 6 "rejects" in the delivery of around 60,000 garments.

We had been in the knit-goods business since 1898, and we served the largest firms in America, such as Lord & Taylor, Marshall Field & Co., Rice-Stix, St. Louis Dry Goods Co., Eli & Walker of New York, and others. That is the class of trade that we had, and we

served the biggest trade satisfactorily.

Just after the victory of Chateau Thierry, we could not, ourselves, at that time see why the Department was commencing to be technical in the knit-goods branch in New York City and elsewhere. We did not learn until about 60 days later. We, of course, were experienced; we knew, when people wanted to cut out an order, how they could pick small flaws in a contract; we had had that experience in the civilian trade, but we did not think that the Government would be that way.

So they commenced to make moves to slow down this order. We would make the goods and chase them up in the mill, and second invoices, but we were not allowed to ship until the bills of lading were made out at the Atlanta depot and sent to us, conforming with the invoice that had been mailed to them. Our invoice went directly

to the depot at Atlanta.

Mr. D. C. Collier. May I add something else?

Senator Stephens. All right.

Mr. D. C. Collier. In other words, we had trouble at the mill by a congestion of merchandise, due to the fact that the Government inspectors were slowing up delivery, and we were having considerable trouble securing shipping instructions and bills of lading.

That congested our entire mill. It interfered with the production of Government merchandise, as well as our regular civilian business. Senator Stephens. You refer to Government inspectors. Did

they come to the mill and make the inspection there?

Mr. D. C. Collier. They did, in the latter part of the contract. Mr. Hardwick. Suppose that you tell the Senator about this in-

spection business now.

Mr. J. C. Collier. When those "rejects" were only 5 or 6 garments out of 60,000, they were inspected by the Department or depot quartermaster at Atlanta, at the Atlanta depot. About the time, along in July, they got some inspectors to come to Barnesville. One was a boy that had wrapped merchandise for the George T. Muse Clothing Co., of Atlanta. The other was a machine fixer over in an overall factory in Alabama, and the other boy had been a machine fixer, I think, in Atlanta, but I won't be positive.

Mr. Hardwick. Had any of them had any experience in this knit-

ting business?

Mr. J. C. Collier. None whatever. They never had any experi-

ence in a knitting mill before.

The main trouble at first was like Mr. D. C. Collier stated just now, that the goods were made and cased and we could not get rid of them, and it took lots of money, for yarns were high and labor was high, and we could not put a thing on the train until they made out the bills of lading, and sent them to us.

Finally these boys commenced to be very technical and very slow in checking the merchandise as it was turned over to them. There were just mounds of underwear there, many piles ready for these Government inspectors to take charge of, and they inspected just

a little bit each day.

After they became so very technical, it gave us trouble, and I made numerous trips to New York, and my son made several trips to New York, to the committee's headquarters on Sixteenth Street, and we also talked to our agents, Clift and Goodrich.

Now, the committee on Sixteenth Street were not officers in the war, in the Army; they were civilians. One was connected with Bliss, Fabian & Co., on West Street, and the other one with C. C. Valentine & Co., on Broadway, and the other one with William Islein & Co.

They recommended purchases to the Department here in Washington.

Finally the thing—

Mr. D. C. Collier (interposing): That was about the time we went to New York.

Mr. J. C. Collier. Finally the thing became so congested and with no shipping orders being given on the merchandise that had been inspected, and with a very light inspection going on, that I sent my son to New York to find out the trouble, and he made certain agreements that he will tell you about later which were not carried

Later I went on to New York, to know why these agreements were not carried out, because down in Atlanta I could not find out

anything.

Now, perhaps, Senator, you heard of the buck being passed when you tried to make a loan in the bank and you cannot get it. That is just the way that they did me. I was in Washington here eight or ten times. The newsboys, coming up on the Southern Railway, knew me, for I was on the train so often, and the bell boys in New York knew me, I was there so much, but I could not get any-

Senator Stephens. About what time did this trouble begin, Mr.

Mr. J. C. Collier. About the latter part of July, around after the victory at Chateau Thierry.

Senator Stephens. That was in 1918? Mr. J. C. Collier. That was in 1918.

Mr. Hardwick. But it did not get fierce until August?

Mr. D. C. Collier. In other words, each Government official re-

ferred you to another—is that the idea?

Mr. J. C. Collier. And in September it was very bad. We could not do a thing. They just tied us up. Each man sent us to another. They would send me to 2 or 3 places in Washington.

Senator Stephens. While this trouble was going on, were those

inspectors still at your factory?

Mr. J. C. Collier. No, sir; they had withdrawn the inspectors no, they did not withdraw the inspectors about the time of the armistice and, to be frank with you, I was sitting in the office of the knit goods committee in the last week of October, talking to Harry Jacobson, when a rumor went through the building that Germany had surrendered. Of course, it happened 2 weeks later, on

the time that your people in New York canceled without any instructions, and you got nothing for it?

Mr. J. C. Collier. Do you mean about Major Parker?

Mr. Hardwick. No. I mean what Clift & Goodrich did, as I understand the matter, on October 18, 19, and 22, 1919, when certain supplemental agreements were made.

Mr. J. C. Collier. They made those without my knowledge and

consent.

Mr. HARDWICK. But they were made out?

Mr. J. C. Collier. Yes, sir.

Mr. Hardwick. At the time of this so-called "cancelation"?

Mr. J. C. Collier. Yes, sir; and I always thought that they went too far.

Senator Spephens. My question was what those supplemental

agreements were, if you remember.

Mr. J. C. Collier. I mean that so far as Clift & Goodrich were concerned, the dates were dated back; there is something in the agreements about a cancelation by Clift & Goodrich, but not by us. We agreed to no cancelation, unless they would take all the merchandise and clean us up, and then we would allow them to cancel the unfilled portion.

Mr. Hardwick. The record shows that the agents up there, on October 18, 19, and 22, 1919, agreed that, in consideration of the cancelation of the original contracts, the Government should make certain different contracts about other and further goods, as I un-

derstand it—is that right?

Mr. J. C. Collier. Yes, sir. Now, I will go a little further.

Senator Stephens. You said "other and further goods." Were those goods to come through the Collier Manufacturing Co., or else was a contract with Clift & Goodrich made relating to some other concern?

Mr. Hardwick. That was with respect to the Collier Manufac-

turing Co.?

Mr. J. C. Collier. Yes.

Mr. Hardwick. In other words, instead of carrying out the original contract, "We will give you a different, supplemental con-

tract."

Mr. J. C. Collier. I will tell you this, that the civilian buying committee in New York knew—it had been talked about—that the war was won. So, in the latter part of September 1918, Major Burger, whom I knew personally before that time; he was not a major in the Army; that was an honorary title given to him after he became a buyer, for he was a commercial man—he advised me to allow a cancelation of these contracts. The proposition came from him, that they would take the merchandise already made up and relieve us, and our mill should get back to the civilian business, and he gave that advice because he knew what was going on. I did not. I was not in position to know, and he admitted to me afterwards, several months afterwards, in the spring of 1919, that there were just tons of merchandise all over the country that the Army had no use for.

November 11, and I saw what we were into and I was doing my best to get rid of the goods before the war stopped. I was not able to carry the line, because these undershirts did not suit the civilian trade. It was a short-sleeved, no button affair, that you pulled down over your head. They were lightweight summer garments, and there was no demand for them except from the man who was not able to buy a good undershirt in the civilian trade.

Finally Major Burger made a proposition to my son, which was confirmed to me over the telephone, that if we would allow the cancelation of these contracts, that he would take all of the merchandise that we had manufactured off of our hands and pay us the

losses, reasonable losses sustained thereby.

Senator Stephens. About what was the date of this conversa-

tion?

Mr. J. C. Collier. It was in September; that is my recollection. I will give you the date directly; I do not have it in my mind now.

Major Burger, and Frankfoot of Chicago, who was then the head of that committee, tried to confirm the same thing, verbally. We

could not get anything in writing.

We went back to Atlanta. We could not get any action; we could not get anything carried out, and we struggled all through the fall of 1918 and through the spring of 1919, up until the time that we were advised to place this claim before the Judge Advocate here in

Washington.

Now, I knew as a business man—that is, I thought I knew as a business man that probably we would be overruled, because our names did not appear as the real contractors, but on that original order, the words "to be made by the Collier Manufacturing Co., Barnesville, Ga.," were what we stood on when we went into the courts here after we got the Judge Advocate's decision.

Our agents were not interested any further than getting a commission on what we had sold and shipped, and they got it, and they bunged the thing up and deceived us; they went and made a supple-

mentary agreement without our knowing it.

Mr. HARDWICK. And a cancelation of the original contract at the same time?

Mr. J. C. COLLIER. Yes, sir.

Mr. HARDWICK. How long after that was it before you found it out?

Mr. J. C. Collier. It was in March 1919, or thereabouts, and I found it out down here. I believe the officer was named Shaffer.

Senator Stephens. What were the terms of that supplemental contract, other than it carried a cancelation of the original contract? Was there anything in it except the cancelation?

Mr. J. C. Collier. No. sir.

Mr. Hardwick. Well, let us see and refresh your memory just a minute.

At the time of the cancelation, they made supplemental agreements, did they not, as to the manufacture of other stuff? I think that that is what the Court of Claims finding shows, that there were three supplemental contracts, of October 18, 19, and 22, 1919, at

Senator Stephens. How much of these goods did you manufacture, Mr. Collier, after the Government inspectors were withdrawn from the factors?

from the factory?

Mr. J. C. Collier. Now, I cannot give you those details. My son can. I was the executive; I borrowed the money and kind of kept in touch with what was going on, and right at that time we had to borrow a good deal of money—things like that. I was not the inside man. My son is a trained textile engineer, and I grew up as a country merchant.

Now, later in the spring of 1919, when they changed forces down in Atlanta, we made a delivery of some of that merchandise. The new man, Major Parker, found room and we made the delivery without complaint, with not a garment returned, and the goods were paid for. We tried to deliver all that we could. It embarrassed us very much by not being able to make that delivery at that time.

Mr. Hardwick. Now, I will ask you a question or two, just to get

right down to the last part of what you said.

These garments that you had manufactured under these contracts you had subsequently to dispose of, did you not?

Mr. J. C. Collier. Yes, sir.

Mr. Hardwick. And you did so at a considerable loss?

Mr. J. C. Collier. With enormous loss.

Mr. HARDWICK. Your son can give the details? Mr. J. C. COLLIER. My son can give the details.

As I stated before, they were not suited for the civilian trade. Mr. Hardwick. When you went into this project, you had to make expensive changes in your plant and machinery, in order to manufacture what the Government required?

Mr. J. C. Collier. Oh, yes; and it disrupted the organization,

and we bought new machinery.

Mr. Hardwick. And you quit the civilian business practically entirely?

Mr. J. C. Collier. About 50 percent; about half and half.

Mr. Hardwick. But you had to buy expensive equipment, and when you finally quit trying to do anything on these Government contracts, did you have to make any changes in your plant whatever?

Mr. J. C. Collier. Oh, yes; to change back.

Mr. Hardwick. At considerable cost? Mr. J. C. Collier. Yes.

Mr. Hardwick. Have you any idea yourself, even in a general way, what your actual loss out of pocket—not profits—was on account of this?

Mr. J. C. Collier. Our actual loss, and we did not figure on our

losses—we never have—reached around \$50,000.

Mr. Hardwick. Exclusive of interest?
Mr. J. C. Collier. Exclusive of interest.

Mr. Hardwick. Just counting the money actually out of pocket? Mr. J. C. Collier. Yes; and many trips on the railroad in and out of Atlanta were not figured.

Mr. HARDWICK. Did you agree to the modification of this contract

made by Clift & Goodrich at all?

Mr. J. C. Collier. Well, we made it. Clift & Goodrich did not make it. It was made to us; it was made to my son.

Mr. D. C. Collier. He means in regard to the cancelation of the contract.

Mr. Hardwick. Yes.

Mr. J. C. Collier. Now, I did not agree, and did not know it.

Mr. Hardwick. How long after it occurred was it before you knew it?

Mr. J. C. Collier. Next spring, in March, probably.

Mr. Hardwick. Did you get any consideration for your cancelation?

Mr. J. C. Collier. None whatever.

Mr. Hardwick. Senator, I think that that covers all that I expect to go into with him.

Senator Stephens. Thank you.

Mr. J. C. Collier. I am much obliged to you.

Mr. HARDWICK. I will now take the testimony of Mr. D. C. Collier.

## STATEMENT OF D. C. COLLIER

Mr. Hardwick. Mr. Collier, your name is D. C. Collier?

Mr. D. C. COLLIER. Yes.

Mr. Hardwick. And you are the executive manager of this textile industry at Barnesville, Ga.?

Mr. D. C. COLLIER. Yes. Mr. Hardwick. Cotton mill? Mr. D. C. Collier. Knitting mill.

Mr. HARDWICK. And you were at the time of these occurrences

that have been spoken of here in that position?

Mr. D. C. COLLIER. Yes.

Mr. Hardwick. I would like for you to state to Senator Stephens what this transaction exactly was, giving details and figures and dates as much as you can, and, before you do that, I will suggest that you take this affidavit that you have already filed and follow that order in presenting the matter, so that you will shorten your remarks and present them a little more logically.

Mr. D. C. Collier. Preliminarily I will endeavor only to give the main points regarding this entire transaction, and try not to testify on points which have already been covered by Mr. J. C. Collier.

After securing order 11048 from the United States Government, we made certain deliveries against this order which greatly pleased the Government officials, and the evidence of this was that the Governments' buying committee in New York, the Knit Goods Branch, placed a second contract, no. 2848–A, to be followed by the placement of a third contract, no. 3735–A, all three contracts calling for 120,000 garments each.

The placement of the last two contracts is full evidence that the quality of manufacture and delivery of the merchandise was satisfactory to the Government officials in New York and Atlanta.

Mr. HARDWICK. Now, just one word there.

As to these three contracts that you specified, were all of the contracts that you made with the Government made through Clift & Goodrich, your selling agents in New York?

Mr. D. C. Collier. Yes. Mr. Hardwick. Now, go on.

Mr. D. C. Collier. We had thorough cooperation from all Government officials in the Atlanta depot until the latter part of July,

Mr. Hardwick. Give the year for the latter party of July.

Mr. D. C. Collier. The latter part of July 1918—when the method of inspection and the slowness of inspection and delay in getting shipping instructions became very pronounced. We had such a great amount of trouble in this respect that, with the loss of production on Government orders as well as civilian orders, the writer made a trip to New York.

Mr. Hardwick. You mean that you made a trip to New York? Mr. D. C. Collier. I make a trip to New York, in September 1918. I brought the details of our troubles, and the exact situation, before

Messrs. Jacobson and Burger, of the Knit Goods Branch.

The first statement made by Mr. Burger was that he would advise a cancelation of our contracts, and that the Collier Manufacturing Co. should go back to the manufacture of civilian orders as quickly as possible, that he had already canceled a contract for similar merchandise with the Signal Knitting Mills, at Chattanooga, Tenn.

The writer—

Mr. Hardwick. You mean you?

Mr. D. C. Collier. I then brought to his attention the samples, the mutilation of certain seconds which we had on hand, and which the Government usually took at 15 percent less than the regular contract price.

Mr. Hardwick. Will you explain to the Senator what you mean by mutilation, and what these tests were and how they were made?

Mr. D. C. Collier. These inspectors had a method of marking with blue and red crayons and of tearing merchandise so as to mark it as a "reject".

This mutilation rendered these seconds unfit for commercial sale. I brought this question before Messrs. Burger and Jacobson, that I thought that the Government was obligated to take this merchandise, by reason of the mutilation by the Government inspectors. They quite agreed with me that this should not have been done, and that this was the only case that they knew of where Government inspectors had tested merchandise by tearing it.

Mr. Hardwick. You have not mentioned yet, and probably the Senator does not understand, what the ordinary test of that sort

of garment is.

Mr. D. C. Collier. The usual and ordinary test of knit underwear for tensile strength is by a machine made especially for that purpose.

Mr. Hardwick. Yes; and what method was employed, you say, by

these particular inspectors?

Mr. D. C. Collier. These inspectors tested the garment by tearing it, by main strength.

Mr. HARDWICK. Was that method employed anywhere else?

Mr. D. C. Collier. Mr. Burger stated to me that this was the only case in all of their inspection reports where the merchandise was mutilated by them.

Senator Stephens. How did they tear the garments? By pulling

them with their hands?

Mr. J. C. Collier. Yes; a summer-weight underwear, and stretching it with their hands.

Mr. D. C. Collier. They would take it up at the neck just literally like that [illustrating]. The usual way is with a little machine, about this large [illustrating], with a screw on it, and you put the pressure on, and there is the pressure for a usual amount of pounds of strength.

Senator Stephens. And the same amount of strength is used in

each instance with the machine?

Mr. D. C. Collier. That is right. Senator Stephens. It is not possible by hand?

Mr. J. C. Collier. A baseball player about 21-years old can tear

Mr. HARDWICK. He might tear a steel shirt.

Senator Stephens. What percentage of the shirts were torn? Many, or just a few?

Mr. J. C. Collier. Not many.

Mr. D. C. Collier. A great many were torn, and all of the "re-

jects" were marked with blue and red crayons.

We had the depot quartermaster at Atlanta modify those blue and red crayons for markings. After a certain time, they used a small stamp which was not noticeable, but practically 95 percent of the inspection was done by this mutilation method and we could not get it stopped.

Referring further to my conversation with Messrs. Burger and Jacobson, I will state that I was in New York 4 days. The final agreement was that if we would allow cancelation of unfilled orders, or of these three orders, that they would have the Government accept all merchandise in process of manufacture and in cases, and that they would take the seconds at 15 percent less, and that they would then issue a cancelation for the balance unfilled.

They made the statement further that they would not issue cancelations at that time, because they did not have the exact quantities

which were in process and on hand.

I told these gentlemen that that would be satisfactory to me, provided that they took all firsts and seconds which we had on hand and in process, and I requested that this matter be handled in the quickest way possible.

They replied that they would wire the depot quartermaster in Atlanta and immediately send inspectors to our plant to complete the acceptance and inspection of the merchandise as per

agreement.

Mr. HARDWICK. In other words, all that you assented to was that if they took the stuff you had already manufactured for them, and what you had in process of manufacture, that you would be glad to cancel the balance—is that it?

Mr. D. C. COLLIER. Yes?

Mr. HARDWICK. And that condition was coupled with any agreement you made about cancelation—is that right?

Mr. D. C. Collier. Yes, sir.

Now, if this had been carried out as per the agreement we had, we would not have had any material loss; we could have disposed of our varns under contract which we had purchased at half prices to make this merchandise, and we could have sold the machinery that we had on hand.

On returning to the mill, we found that the Government had not sent inspectors to take the merchandise, as per their agreement. I called up the Atlanta depot, and they stated that they had no instructions from New York for inspectors to come to our mill, and that they could not move until they received orders.

I wired Clift and Goodrich to interview Messrs. Burger and Jacobson, and have them send inspectors, and I wired Messrs. Burger and Jacobson of the knit-goods branch, and they did not even reply

to my telegrams.

So, in about two and a half weeks, inasmuch as we had failed to get action, and inasmuch as the Government had not carried out their part of the agreement, Mr. J. C. Collier went to New York to find out directly from these gentlemen why they had not carried out their agreements and what the status of our orders were. I will not mention the conversation that he had with them, because that is already in evidence.

On November 5 we finally received from Clift and Goodrich a letter from the knit-goods branch, addressed to Clift and Goodrich, setting forth new conditions of inspection governing the acceptance of the merchandise that we had on hand in our mill. These conditions were never a part of the original contract, and they were so set forth that it would have been an impossibility for the Collier Manufacturing Co. or any mill in America to have delivered merchandise on them.

In that letter, there was no mention of the fact that the knit-goods branch had already canceled these contracts, because, as we found out in the spring of 1919, that the dates of the cancellation of these contracts were October 18, October 19, and October 22, 1918—

Senator Stephens. What was the date of this letter that you

referred to?

Mr. D. C. Collier. This letter was dated November 4.

Mr. Hardwick. And you did not make the discovery of the cancelation until 6 months afterward?

Mr. D. C. Collier. Until 5 or 6 months afterward. Mr. J. C. Collier. Could I add a word right there?

Mr. HARDWICK. I think so.

Mr. J. C. Collier. On May 14, 1919, I was in the city of Washington, and that is when I discovered the cancelations, and I have a letter from Clift and Goodrich when I requested them to address me at the Hotel Raleigh. That is the first time we really knew those things were being covered.

Mr. HARDWICK. Months afterward?

Mr. J. C. Collier. Yes, sir.

Mr. D. C. Collier. I would offer that in evidence, I think.

Mr. Hardwick. Yes; we will give that to the report in connection with that interpolation here.

(The letter referred to, from Clift and Goodrich to J. C. Collier. dated New York, May 14, 1919, is attached as an exhibit to this

transcript.)

Mr. D. C. Collier. In connection with the general attitude of the officials of the knit-goods branch, it was very pronounced that they were endeavoring to get out of all the contracts possible. On several occasions they suggested to Clift & Goodrich, as well as to our-

selves, that they would be glad to cancel our contracts. It appeared in the testimony of Mr. Burger before the board of contract adjustment that the knit-goods branch bought no more merchandise after July 15, 1918. Mr. Burger stated that after the battle of Chateau Thierry he had received orders not to buy any more merchandise, and that the minds of the war had a different idea as to the future of the war.

Then, too, the actual records of the War Department, after the armistice, showed that there were many millions of cotton under shirts on hand, surplus above all possible requirements of the Army.

This, again, shows why the knit-goods branch and the inspection division of the Department were endeavoring to get rid of all

merchandise and of all contracts possible.

In the spring of 1919, Lieutenant Parker, who was assistant to Captain Winterberger, found a way to take a few thousand garments which had been manufactured by us in August and September 1918.

Mr. HARDWICK. These very things that they were complaining

about?

Mr. D. C. Collier. Yes, sir.

Mr. HARDWICK. Is this the letter [handing letter to the witness]?

Mr. D. C. Collier. Yes, sir.

(The letter referred to, dated Mar. 20, 1919, from the zone supply officer, zone inspection division, textile branch, Atlanta, Ga., to the Collier Manufacturing Co., is attached as an exhibit to this record.)

Mr. D. C. Collier. Lieutenant Parker, as well as Winterberger, recognized the quality of our merchandise as being first class and satisfactory, and months after the supposed cancelation by Clift & Goodrich, they accepted this merchandise, which conclusively shows that the merchandise was satisfactory.

We have letters during the summer of 1918 stating that the merchandise was satisfactory, from Clift & Goodrich to ourselves.

Senator Stephens. Let me ask you this question right there: When the question of the cancelation of the contracts came up, what reason, if any, was assigned for desiring the cancelation?

Mr. D. C. Collier. They did not give us the reason. They just

suggested cancelation.

Senator Stephens. What complaint, if any, had been made against

Mr. D. C. Collier. There had not been any complaint. We went to

Senator Stephens. You went to them with reference to the tests

that they made?

Mr. D. C. Collier. Yes, sir; and to take the seconds on hand which they had not taken, and we went to them from the standpoint of trying to get order out of congestion and demoralization.

Mr. HARDWICK. Let me see if I cannot get what the Senator has in

mind, what the Senator means on this.

When did this suggestion for cancelation occur? Was it after they realized that they had overbought and the war was about to

Mr. D. C. Collier. The first suggestion came on August 28.

Mr. Hardwick. And the war was nearly over?

Senator Stephens. 1918?

Mr. HARDWICK. Yes.

Did they tell you that they were overbought in that sort of goods?

Mr. D. C. Collier. They did not tell us. Mr. HARDWICK. They told you later?

Mr. D. C. Collier. We thought so when they canceled the Signal Knitting Co. order, and we went to them, asking them for suggestions to remedy the particular conditions at our plant.

Senator Stephens. That is, the condition of congestion, and the

method of testing?

Mr. D. C. Coller. And the method of inspection; yes, sir.

Mr. HARDWICK. I think that maybe we have that part of the picture pretty well. Would you mind taking this schedule of yours and going over these items, showing Senator Stephens actually how

much money you were out of cash, actually out of pocket?

Now, Mr. Collier, drawing your attention to the precise point that the Senator has just made, I want you to itemize the actual losses that you have sustained on account of this transaction that we have been describing; and, in doing so, do not, in any case, include profits that you might have made on this contract if it had been carried to completion or anything else except money that you are actually outof-pocket and have lost, because of this conduct of the Government.

Mr. D. C. Collier. I am going to enumerate the actual losses that we incurred as the result of the cancelation of these orders, which we knew nothing about until the spring of 1919, and which will be substantiated by testimony that I will give as to our audit reports,

as to the fiscal results for the year 1918, to our company.

Mr. HARDWICK. Now, your first item?

Mr. D. C. Collier. The first item is the merchandise which was made specially for the Government, on a special style, and which was not merchantable to the civilian trade. We had a loss of \$14,082.29.

Senator Stephens. Of merchandise?

Mr. HARDWICK. Yes. Now, tell the Senator how you arrived at

Mr. D. C. Collier. We arrived at that figure by taking our cost price on the merchandise, which is substantiated by what we paid for the yarns, labor, and so forth.

Mr. HARDWICK. What did the materials to make up this stuff cost

you? Mr. D. C. Collier. We had a total of 21,538 garments, firsts, and 25,350 garments, seconds, which cost \$6.32 per dozen, with our mill cost sheet attached, thus giving a total cost, on November 12, 1918, of \$24,694.35.

Mr. HARDWICK. Well, now, just a moment there. That represents, does it, what the material and labor and so forth, cost on these garments that the Government would not take under its con-

tract; is that right?

Mr. D. C. Collier. Yes, sir.

Mr. HARDWICK. All right. Now, then, tell what you did with those garments. That is not all, is it?

Mr. D. C. COLLIER. No. Mr. HARDWICK. All right.

Mr. D. C. Collier. Now, the date this merchandise was sold was August 17, 1919.

Mr. HARDWICK. Yes.

Mr. D. C. COLLIER. That is the first time that we were even able to get an order or offer. Had we sold this merchandise in January or February of 1919—or May; I should have said May 1919—it would probably have been only \$1.50 to \$2 per dozen. The interest on this

Mr. HARDWICK. Eliminate the interest.

Mr. D. C. Collier. I beg your pardon, but this is due in here, because it shows the actual cost of this merchandise on August 17, 1919. The interest on this cost, from November 12, to August 17, 1919, at 6 percent, is \$1,119.51. In other words, that material in those shirts actually cost us \$25,813.86, on August 17, 1919.

Mr. HARDWICK. Now, did you sell it at that date?

Mr. D. C. Collier. Yes, sir.

Mr. HARDWICK. Who did vou sell it to?

Mr. D. C. Collier. That was sold to H. Goldstein Brothers Co., of New York City.

Mr. Hardwick. All that stuff, that cost you that much money, you

Mr. D. C. Collier. We have copies of the invoice on the sale. The salvage value of this merchandise, as sold to H. Goldstein, was \$11,731.57, giving a net loss sustained of \$14,082.29.

Mr. HARDWICK. And that is item 1 that you have put to your

affidavit here?

Mr. D. C. Collier. That is item 1.

Mr. Hardwick. Well, now, take item 2, which is the loss of varns,

See what that is, how much you lost on the varns.

Mr. D. C. Collier. There was left over a certain amount of the raw material to manufacture this special merchandise, and also certain yarns on contract.

Mr. Hardwick. Well, now, explain to the Senator what you mean by "on the contract." You had bought them at future delivery?

Mr. D. C. Collier. We bought certain merchandise from the Swift Spinning Mills, the Johnson Manufacturing Co., to manufacture.

Mr. Hardwick. Certain merchandise—you mean yarns?

Mr. D. C. Collier. I mean yarns, yes; and Claude D. Smith Co., to manufacture these Government orders.

Mr. Hardwick. Well, what did they cost you? That is the 110,000

pounds that you had on hand?

Mr. D. C. Collier. We had a total loss of 110,000 pounds of

16's yarns left on hand, which amounted to \$26,090.

Mr. HARDWICK. Now, how do you get that amount? They cost you how much? That stuff cost you how much? \$67,300? I am following your affidavit here. Maybe you had better have this before you, instead of that. Now, the yarns-that stuff that you had left over, that you bought to fill this contrast, cost you how much in actual money?

Mr. D. C. Collier. It cost us \$67,300.

Mr. Hardwick. Did you afterward dispose of that very quantity of yarns? Is that the same yarns?

Mr. D. C. Collier. We did not dispose of these yarns, because it was very difficult to find a market, but we were referred to the textile papers' quotations, as of May 1919.

Mr. HARDWICK. That is when you finally abandoned all relations

with the Government?

Mr. D. C. Collier. Yes, sir.

Mr. HARDWICK. And what was it worth, then, at the market price?

Mr. D. C. Collier. One hundred and ten thousand pounds of yarns, at the date of this claim, was \$41,210.

Mr. HARDWICK. And there had been how much lost, then?

Mr. D. C. Collier. Giving a total loss of \$26,090.

Mr. HARDWICK. On yarns?

Mr. D. C. Collier. On yarns. That is item 2. Mr. HARDWICK. Well, now, what is item 3, there?

Mr. D. C. Collier. To manufacture this special merchandise, we had to purchase certain machinery, and we bought 10 Flatlock machines from the Wilcox & Gibbs Machine Co., at a total price of \$550 each, or \$5,500. We had these machines appraised by two appraisal machinery experts, who estimated their value at \$2,750.

Mr. HARDWICK. And did you try to sell it?

Mr. D. C. Collier. We tried to sell them, and we received offers,

much less than this figure.

Mr. HARDWICK. Well, now, could you use those in your business, outside of the manufacture of the goods under this contract for the Government?

Mr. D. C. Collier. No, sir.

Mr. HARDWICK. They were useless to you, in the ordinary yarn business that you had there, outside of the contracts?

Mr. D. C. Collier. Yes, sir; because they were bought special to

make this type of shirt.

Mr. HARDWICK. All right. Now take item 4 next. Proceed.

Mr. D. C. Collier. We bought one S. & W. knitting machine at a price of \$700. We had this machine appraised as to its value, by two different appraisal machinery experts, who estimated its value

Mr. Hardwick. Did you try to sell it?

Mr. D. C. Collier. We tried to sell it, but we couldn't, because there was so much surplus machinery on the market after the war, that there was no demand.

Mr. Hardwick. Could you get as much offered to you for it is

the appraisal value, even?

Mr. D. C. Collier. No, sir.

Mr. Hardwick. All right. Item 5, or the next one, whatever the number is.

Mr. D. C. Collier. Item 5 covered certain—

Mr. Hardwick. Item 5 is "burlap"? Mr. D. C. Collier. Burlap; yes.

Mr. Hardwick. Item marked "4", paragraph C.

Mr. D. C. Collier. The Government called for special type of package, baling their merchandise by the use of burlap. All of our civilian merchandise was shipped in wooden cases. This was a total loss, practically, to us, but in the appraisal which is attached

to this claim it was listed at a certain value, which showed us a net loss of \$272. The burlap was of no use to us after that.

Senator Stephens. Was it ever disposed of, or was it?

Mr. D. C. Collier. It was disposed of as waste. Mr. Hardwick. You threw it away, practically?

Mr. D. C. Collier. Yes, sir.

Mr. HARDWICK. All right. Now, let us take the next item, item 6. Mr. D. C. Collier. Item 6. That is what we call total losses.

Mr. HARDWICK. Yes; I believe that is right; item 6, yes, "Total loss." "Sponge rolls" or "squeeze rolls"?

Mr. D. C. Collier. "Squeeze rolls", I think.

Mr. Hardwick. Yes; something like that. Mr. D. C. COLLIER. To handle this heavier fabric than we had been manufacturing, we had to purchase special rubber squeeze roll in our bleacher, and this was covered by appraisal in the same way

as the other. It was of no use to us after we finished. Mr. Hardwick. Could you sell it or dispose of it or anything?

Mr. D. C. COLLIER. No, sir.

Mr. HARDWICK. You couldn't even get the appraised value that you allowed for in calculating these losses?

Mr. D. C. COLLIER. No, sir; could not sell it at all.

Mr. Hardwick. And what was your loss on that item?

Mr. D. C. COLLIER. That was \$113.50.

Mr. Hardwick. Now, come to the next item, no. 7, on your affidavit, is that, which is "Total loss sustained." That is paragraph D of that claim, I reckon, \$5,061.91. Tell the Senator what that is and how you arrived at that figure.

Mr. D. C. Collier. There was express, freight, and so forth, on

above special machinery, in the amount of \$100.

Mr. HARDWICK. All right.

Mr. D. C. Collier. There was one sealer for the baling machine,

Mr. Hardwick. All those are small amounts. Where do you get the bulk of that figure there?

Mr. D. C. Collier. There is one item of \$3.50, for freight.

Mr. HARDWICK. That is on this machinery that you bought specially to make this Government contract stuff?

Mr. D. C. Collier. That is to return a baler which we bought

and which the manufacturer agreed to take back.

Mr. HARDWICK. Yes.

Mr. D. C. Collier. The cost to systematize and change over our plant, in the spring of 1918, to the manufacture of this Government work, was \$2,801.03.

Mr. Hardwick. \$2,801.03; all right.

Mr. D. C. Collier. There is attached an itemized list, with affidavits as to the cost of it, as to the cost of doing this work, in each department of our mill.

There is another item of \$2,147.38; to change the plant back to civilian work, all properly sworn to and itemized, in every depart-

ment, giving a total loss of \$5,061.91. Mr. J. C. Collier. What is the number of that item there?

Mr. D. C. Collier. Item no. 7.

RELIEF OF THE COLLIER MANUFACTURING CO., INC.

Mr. J. C. Collier. All right. Give the total on item no. 7.

Mr. HARDWICK. Yes.

Mr. D. C. Collier. This gives a total of \$48,719.70. Mr. Hardwick. Actual losses, outside of interest?

Mr. D. C. Collier. Actual losses. Again, there are some traveling items--

Mr. Hardwick. Exclude all the interest items, until you come down to item 10, interest on \$49,773.80, "and other expenses." Now, explain how much of that "other expenses" there is, and what it is, because I think possibly we are allowed that.

Mr. D. C. Collier. I think it is nine hundred and something.

Mr. Hardwick. \$905; there it is. We figured it out. Tell the Senator how that expense was incurred, and what it consists of, that last item—item no. 10. I believe it is.

Mr. D. C. Collier. No. 10.

Mr. HARDWICK. Yes.

Mr. D. C. Collier. Let me see—I have part of that. Have you

got part of it there?

Mr. Hardwick. No: that is just the affidavit. That is all of the affidavit. Item no. 10 is set out in this affidavit, along with a lot of interest. I want to leave that off, but I want to know about this \$905, actual expenses that you incurred, running around, trying to get this thing adjusted.

Mr. D. C. Collier. There was an item of traveling and incidental expenses, occasioned in the handling and details of this entire propo-

sition, amounting to \$905.75.

Mr. HARDWICK. Well, now, what is that item, \$905? What is it made up of?

Mr. D. C. Collier. Traveling expenses.

Mr. HARDWICK. Hotel bills, telegrams, or what?

Mr. D. C. Collier. That is right—hotel bills, and traveling expenses, railroad expenses, telegrams, and telegraphs.

Mr. HARDWICK. Go on and tell him.

Mr. D. C. Collier. New York and Washington, trying to get the whole matter straightened out, to find exactly where we were; because it was only in the spring of 1919 that we found out the status of this whole thing.

Mr. HARDWICK. Adding to these actual losses that you have outlined, and for which we will leave the detailed papers here with the clerk, to either be put in the record or not, Senator, as you want.

Senator Stephens. Yes.

Mr. HARDWICK. You might keep them and use them.

Senator Stephens. We will preserve them.

Mr. Hardwick. Adding to these actual losses of \$48,719.70, this last item \$905.75, what figure do you get as your actual losses, outof-pocket, on this matter?

Mr. D. C. COLLIER. \$905.75?

Mr. HARDWICK. Yes: \$48,719.70 and \$905.75.

Mr. D. C. COLLIER. \$49,625.45.

Mr. HARDWICK. Now, is that, Mr. Collier, the actual money that you are out of pocket, leaving out all profits, and everything else, on this transaction?

Mr. D. C. Collier. That is the actual loss.

Mr. Hardwick. Leaving out interest and everything else?

Mr. D. C. Collier. Not considering interest.

Mr. Hardwick. Well, you figured interest at \$1,000?

Mr. D. C. Collier. Yes.

Mr. Hardwick. On one little matter, there. What was it?

Mr. J. C. Collier. That was the cost of his garments.

Mr. D. C. Collier. Well, that actually was a cost of that yarn,

when it was sold in August. .

Mr. Hardwick. In other words, the yarn cost him that much more, because he had to pay interest at the bank, to pay for it and hold it until he could sell it?

Mr. D. C. Collier. That is right.

Mr. Hardwick. What is the amount of that interest? There is one item here. I want to get it in the record now. What is the item of that interest, now?

Mr. J. C. Collier. He told you just a moment ago.

Mr. Hardwick. He told us, but I do not think we got it in the record. I doubt it.

Mr. D. C. Collier. This thing is so voluminous.

Mr. Hardwick. It was one-thousand-and-some-odd dollars.

Mr. D. C. Collier. Yes; here it is—\$1,119.51.

Mr. HARDWICK. All right.

Mr. J. C. Collier. That is added to the cost of the shirts?

Mr. D. C. Collier. That is it.

Mr. J. C. Collier. That you sold to Goldstein?

Mr. D. C. COLLIER. Yes.

Mr. J. C. Collier. That would be just that much less, then, eliminating that.

Mr. Hardwick. Yes. And what is the result that we get, there-

\$49.625.45?

Mr. D. C. Collier. \$49,625.45.

Mr. HARDWICK. Now, just take from that, \$1,100 and what?

Mr. D. C. COLLIER. \$1,119.51.

Mr. Hardwick. \$1,119.51, and what is the result then? Of course, that is a matter of calculation. There is no use bothering with it. Senator Stephens. Yes.

Mr. J. C. Collier. Get it down correctly, and let the reporter

Mr. Hardwick. It might be more convenient.

Mr. J. C. Collier. We can do it when we get through here. Now, I would like to testify this: The actual loss that we claim, namely \$49,625.45, is proven by our fiscal results during the year 1918. Our audit report for the first 6 monts of 1918 shows that we made a net profit from operation of over \$50,000.

Mr. Hardwick. That is, in civilian business? Before you went

into the Government business?

Mr. J. C. Collier. Yes; that is for civilian business, and a certain amount of war orders which were coming through, which were made in May and June.

Senator Stephens. There is one thing I would like to ask you, Mr. Collier. You had three contracts with the Government?

Mr. D. C. Collier. Yes, sir.

RELIEF OF THE COLLIER MANUFACTURING CO., INC. RELIEF OF THE COLLIER MANUFACTURING CO., INC.

Senator Stephens. Did each one carry 120,000 garments?

Mr. D. C. Collier. Yes, sir.

Senator Stephens. How many garments were actually delivered and accepted?

Mr. D. C. Collier. All of 1164-A was considered as completed.

Senator Stephens. That is the first contract?

Mr. D. C. Collier. We delivered a portion of the 2848-A. There were no deliveries made against 3735-A.

Mr. J. C. COLLIER. We had not reached the delivery time on that.

That was November.

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Senator Stephens. The reason I am asking this is because I want to know whether or not any of that surplus yarn and other materials, if manufactured into goods, would have exceeded the amount of vour contract; in other words, whether there was a surplus, an unnecessary surplus in it, at all.

Mr. HARDWICK. Whether they bought too much or not?

Senator Stephens. Yes.

Mr. HARDWICK. I will just ask that question in a direct way. Now, in all these items which you specified, of material that you bought-yarns, and so forth, to fill these Government orders-did you buy ahead enough to fill them all?

Mr. D. C. Collier. I bought the exact quantity of yarns to fill

these three contracts of 120,000 garments each.

Mr. HARDWICK. Well, were there 120,000 garments each?

Mr. D. C. Collier. Yes, sir.

Mr. J. C. Collier. Total, 360,000.

Mr. HARDWICK. But you did not buy, and did not include in this, any stuff to fill the so-called "supplemental contracts" to which reference has been made, did you?

Mr. D. C. Collier. No. sir.

Mr. HARDWICK. Well, you did not know about this until long

Mr. D. C. Collier. As a matter of fact, we used an entirely different weight of yarn on the Government orders than we did in all our other business. We used 30's yarn on the civilian business, and 16's yarn on the Government business.

Mr. HARDWICK. In other words, the yarns that you have been testifying about, every bit of it was bought, every pound of it was bought, I will put it that way, to use in the Government work, on

the Government contracts? Mr. D. C. Collier. Yes, sir.

Mr. Hardwick. And it was not suitable for anything else?

Mr. D. C. Collier. No, sir.

Mr. HARDWICK. Is that what you want, Senator?

Senator Stephens. Yes.

Mr. J. C. Collier. In other words, Mr. Hardwick, when we get an order, we go out and buy the cotton or the yarn to fit that order, just enough.

Mr. D. C. Collier. Well, let me finish this testimony.

Mr. J. C. Collier. We had to buy that ahead, because it was hard to get merchandise to do anything with, and we bought everything we needed for that contract.

Mr. D. C. Collier. Our auditor's report shows from July 1, 1918, that we had an actual loss from operations of \$46,267.45.

Mr. J. C. Collier. You mean for the last half of 1918.

Mr. Hardwick. You see, that is just by way of corroboration.

Senator Stephens. Yes.

Mr. Hardwick. Of the correctness of that figure.

Mr. J. C. Collier. You mean the last half of 1918, now? Mr. D. C. COLLIER. That is what I said.

Mr. J. C. Collier. Your first half of 1918—what were your

Mr. D. C. Collier. I beg your pardon, I have already covered all

that. It is in the record.

Senator Stephens. Yes; \$50,000, or something like that.

Mr. D. C. Collier. Yes.

Mr. Hardwick. The idea on which we offer that testimony is to show how close it corroborates these figures made up from the items of damages. Their book losses show that.

Mr. D. C. Collier. Now, for the year 1919—that is not relevant,

is it?

Mr. HARDWICK. No.

Mr. J. C. Collier. Senator Stephens, would you like to know the names of the auditors who made that audit?

Mr. Stephens. You might state that; yes.

Mr. HARDWICK. Tell the reporterer. Mr. J. C. Collier. There is the report.

Mr. HARDWICK. This audit that you refer to was made by whom?

Mr. D. C. Collier. William H. James & Co.

Mr. Hardwick. Are they certified public accountants?

Mr. D. C. Collier. Yes, sir.

Mr. HARDWICK. Where do they live? Mr. D. C. Collier. Atlanta, Ga.

Mr. HARDWICK. When was this audit made? Mr. D. C. Collier. It was made in July 1918

Mr. HARDWICK. July 1918?

Mr. J. C. Collier. Let Senator Stephens see it.

Mr. Hardwick. Well, we will just put that in. Now, every document that you have got, Mr. Collier, relating particularly to these items of the loss, I think you had better leave them, without any doubt. Where is that affidavit?

Mr. D. C. Collier. I haven't the audit for the second half, right

with me, you see, but I have this income tax report.

Mr. HARDWICK. The question is how much you lost during that period.

Senator Stephens. I think the question of loss has been pretty well covered, anyway.

Mr. HARDWICK. Still, I wanted to leave the supporting documents.

Senator Stephens. Yes. I will be glad to have them. Mr. Hardwick. Showing that he was not merely guessing at it.

Senator Stephens. Yes.

Mr. Hardwick. Now, where is that affidavit we were using?

Mr. D. C. COLLIER. Right here.

comparatively small number, approximately 60, were rejected on inspection by the defendant.

#### VII

The garments were made by the plaintiff at its plant at Barnesville, Ga. Shipments were made to the depot quartermaster at Atlanta. Invoice of the shipment was sent by plaintiff direct to Clift & Goodrich in New York and a copy of the invoice was forwarded to the depot quartermaster. Upon its receipt by them, Clift & Goodrich sent an invoice to the depot quartermaster at Atlanta for the goods that had been shipped direct, and payments were made to Clift & Goodrich by the Government at New York. Upon the contract of May 7, 1918, which called for the delivery of 120,000 undershirts, approximately 10,480 were delivered and accepted under the same shipping and billing conditions as obtained with reference to the contract dated March 7, 1918. No deliveries were made on contract of June 11, 1918.

#### VIII

Plaintiff increased its plant and facilities for the performance of the work called for by these contracts. In September 1918 Major Burgher, one of defendant's officers, advised plaintiff to change its plant back to civilian work and allow the Government to cancel the contracts and take over what merchandise plaintiff had in process of manufacture. After deliveries on first contract and while in the performance under second contract, defendant placed at plaintiff's plant incompetent inspectors, who, over the protest of plaintiff, mutilated about 25,000 undershirts, rendering them unfit for civilian trade. Major Burgher, of defendant's knit-goods buying committee, stated to plaintiff that he would do what he could to have the Government take these goods off of plaintiff's hands, and afterwards stated to plaintiff that he had found a way to do so, and promised to give plaintiff shipping instructions, which was not done. Plaintiff's loss, if any, on this item is not satisfactorily shown by the evidence. On September 5, 1918, plaintiff received from Major Gray, one of defendant's officers, a telegram as follows: "No further shipments will be received on contract 2848-A until satisfactory garments can be delivered." This telegram was received by plaintiff while the inspectors, referred to, were at the plaintiff's plant. The failure to accept further deliveries caused plaintiff to receive less money than it would have received if the contracts had been fully performed. The amount of the loss, if any, is not satisfactorily proved.

#### IX

Plaintiff knew that defendant's officer, Major Burgher, had no authority to enter into or sign contracts; that his authority was limited to recommending purchases.

#### X

On October 18, October 19, and October 22, 1918, the Government entered into supplemental agreements with Cliff & Goodrich, canceling the three original contracts herein referred to and mentioned in Finding V. Copies of these supplemental agreements dated October 18, 19, and 22, 1918, are attached to plaintiff's petition marked "Exhibits D. E, and F," respectively, and are made a part of these findings by reference.

#### IX

On November 4, 1918, defendant wrote Clift & Goodrich a letter as follows: "Referring to the recent interview with Mr. Collier, Sr., and Mr. McKenzie regarding the quantity still on hand of undershirts at the Collier Mfg. Co.

"It will be recalled that this branch stated that we would investigate the matter and find some way by which it would be possible to recommend the stock of approximately 27,000 undershirts for purchase.

"We have taken this matter up very thoroughly with our inspection and depot relations branch, who in turn took the matter up with Maj. Frank Walton, in charge of the Atlanta depot.

"We are informed by the inspection and depot relations branch to notify you that a recommendation for purchase will be made under the following conditions: "The Collier Mfg. Co. to thoroughly and carefully inspect the total quantity of undershirts on hand and segregating those garments that they consider to be imperfect and of tender fabric.

"Notify this branch as to the quantity then remaining which they offer for purchase and for which a recommendation to purchase will be made by

this branch.

"The Atlanta depot quartermaster will then inspect the quantity purchased and if rejects are found in this lot to exceed 3 percent of the amount purchased, the entire quantity will be rejected and contract considered as completed.

"Will you take this matter up immediately and inform this branch if you will accept the above conditions to apply against the purchase of the quantity on hand? On receipt of your reply stating the quantity to be purchased, this branch will then make the necessary recommendations.

"By authority of the Director of Purchase."

#### IIX

On April 8, 1919, defendant, in reply to a letter from plaintiff of April 5, 1918, sent the following letter:

"In reply to your favor of April 5, you are informed that the dates of supplemental agreements reducing your contracts are as follows:

"Contract No. 1164-A, October 18, 1918. "Contract No. 2848-A, October 22, 1918.

"Contract No. 3735-A. October 19, 1918."

#### XIII

This claim was presented to the Board of Contract Adjustment of the War Department and that board found that no agreement was entered into between the Collier Manufacturing Co. and any officer or agent of the Government acting under the authority, direction, or instructions of the Secretary of War or of the President within the purview of the act of March 2, 1919. This action was confirmed by the Secretary of War. (See vol. 8, p. 8, Decisions of the War Department.)

#### CONCLUSION OF LAW

Upon the foregoing findings of fact the court decides, as a conclusion of law, that the plaintiff is not entitled to recover and the petition must be, and it is hereby, dismissed.

Judgment is rendered against the plaintiff in favor of the United States for the cost of printing the record in this case, the amount thereof to be entered by the clerk and collected by him according to law.

#### MEMORANDUM

Three contracts were made by Clift & Goodrich with the Government, copies of them being attached to the petition. Plaintiff alleges that Clift & Goodrich were sales agents, and on account of the concelation of the contracts by separate supplemental contracts, also made by Clift & Goodrich, it claims to have suffered a loss. There is no question that the contracts were made with Clift & Goodrich, nor is there any question that there was a settlement made with them by the Government. The plaintiff seeks to make these contracts its own upon the assumption that Clift & Goodrich were its agents. The only thing in the contract that identified the plaintiff with them was that the goods were to be of their make. But this was an undertaking by Clift & Goodrich so far as the Government is concerned, and having made the contract with them, whether they were sales agents of plaintiff or not, the Government had a right to deal with them and did so. The plaintiff had no enforceable contract with the Government. When the matter was heard before the Board of Contract Adjustment they came to that conclusion and the conclusion was confirmed by the Secretary of War. (See Decisions of War Department, vol. 6, p. 461, and vol. 8, p. 8.) There being no contract, express or implied, between the Government and the plaintiff, it cannot recover.

Graham, Judge, took no part in the decision of this case.

#### EXHIBIT 2

CLIFT & GOODRICH. New York, May 14, 1919.

Mr. J. C. COLLIER,

Raleigh Hotel, Washington, D.C.

DEAR SIR: We have your telegram reading, "Mail Raleigh Hotel copies, our date contracts with you, copies of three Government contracts for orders given us, copies of the cancellations of contracts given Government by you." We wish to state that the following are the numbers and the dates:

Contract no. 1164A, dated March 7, 1918. H. J. Hirsch by H. M. Schofield. Contract no. 3735A, dated June 11, 1918. H. J. Hirsh, S. W. Shaffer. Contract no. 2848A, dated May 6, 1918. Hirsh by Schoffeld.

We regret to state that we cannot give you the exact date of the cancelation. We wrote you under date of November 15, 1918, as follows:

"We have today received official cancelation from Washington covering the three contracts which you have the balance due on contracts nos. 2848, 1164. and the entire amount due on contract 3735."

This probably will answer your purpose. If we can help you in any way please do not hesitate to call on us and trusting that you will have success, we remain

Yours very truly,

CLIFT & GOODRICH.

#### EXHIBIT 3

In the matter of the House bill no. 6828, and Senate bill no. 2242 for the relief of the Collier Manufacturing Co., Barnesville, Ga., from losses sustained by reason of having contracts canceled by the United States Quartermaster Department in 1918, said bills now being before the Committee on Claims.

Personally came before me, one D. C. Collier, who under oath this the 1st day

of February 1934 makes the following statement.

1. That he was manager of the Collier Manufacturing Co., of Barnesville, Ga., a textile firm which had accepted through its selling agent, Clift & Goodrich, of New York, N.Y., the following contracts for manufacturing cotton undershirts, from the Quartermaster Department of the United States Army:

1164A, dated March 7, 1918, for 120,000 garments. 2848A, dated May 6, 1918, for 120,000 garments. 3735A, dated June 6, 1918, for 120,000 garments.

2. That prior to the closing of these contracts that said Collier Manufacturing Co. was approached by depot quartermasters at both St. Louis and Atlanta to take orders for the manufacture of merchandise for the United States Army during the national emergency.

3. That for patriotic reasons said Collier Manufacturing Co. passed up most profitable cilivian business and took the before-mentioned business through its selling agent, Clift & Goodrich, and that the Collier Manufacturing Co. sustained losses during the year 1918 by reason of the governmental handling and cancelation of these contracts, whereas practically all other manufacturing concerns

were showing large profits during this period.

4. That, the Collier Manufacturing Co. filled all of contract 1164A but did not secure bills of lading from the Quartermaster Department to ship all of the merchandise, said Collier Manufacturing Co. being allowed to start on the manufacture and delivery of contract 2848A, it being the intent to later give delivery instructions for a certain quantity of seconds at the Collier Manufacturing Co.'s plant which the Quartermaster Department had allowed to be applied to contract 1164A, but which the Government never accepted.

5. That, the merchandice manufactured by the Collier Manufacturing Co. and applied against contract 1164A was very satisfactory to the Quartermaster Department in Atlanta, as the records showed that only a total of 50 rejects

out of 60,000 garments delivered.

6. That, partial deliveries were made against contract no. 2848A when mill was held up on delivery by telegram dated September 6, 1918, quoted: "No further shipments will be received on contract 2848A until satisfactory garments can be delivered; signed; Gray, 10:08 a.m."

7. That said D. C. Collier made every attempt to deliver merchandise against the above order to the Quartermaster Department at Atlanta, repeatedly calling their attention to the incompetency of the inspectors stationed at the plant of the Collier Manufacturing Co. for receiving merchandise, none of the men detailed having ever been in an underwear plant prior to their designation as knit-underwear inspectors by the Government. That said D. C. Collier protested at the method used by the inspectors of testing merchandise, forcibly tearing the cloth as a strength test, instead of using the usual machine method for testing the strength of cloth. That he repeatedly called the attention of the Quartermaster Department in Atlanta to the fact that the method of inspection so seriously damaged the merchandise that it was not salable to the civilian trade.

5. That, finally in order to try and get relief with a competent and efficient method of inspection, that said D. C. Collier made a trip to New York to interview the officials of the Knit Goods Buying Committee (civilian) and presented the case, and that immediately Messrs. Jacobson and Major Burgher suggested that the orders be canceled, stating that the Government had a sufficiency of merchandise, mentioning that they had already canceled orders which had been placed with the Signal Knitting Mills of Chattanooga, Tenn. They further stated that the inspectors detailed to the plant by the depot quartermaster had damaged the rejected merchandise by marking it up so as to render it unsalable for civilian purposes. They stated that they would order the merchandise on hand and in process inspected immediately for delivery on contract, and would wire the depot quartermaster to have inspectors report to the plant at once. Mr. Burgher stated that he had secured authority to take our seconds on hand, and as well the firsts at the mill, and that following the completion of delivery on these that then cancelation would be issued for the unfilled balance on the orders formerly referred to. Said D. C. Collier further states that this agreement was satisfactory to him and he returned to the mill to await inspectors for accepting and passing delivery of the merchandise; above agreement dated September 18, 1918.

6. That, on returning to the mill, no move was made by the Government officials to carry out the agreement aforesaid, no inspectors from the Atlanta depot reported to the plant. Said D. C. Collier further states that he used every effort to have the inspectors report to the plant for accepting the merchandise on hand, communicating with the Atlanta depot of Clift & Goodrich, and the officials of the knit goods branch in New York, but without avail.

Officials of the knit goods branch not even answering the telegram.

7. Said D. C. Collier states that finally after about 30 days had elapsed, J. C. Collier made a trip to New York to see Messrs. Jacobson and Burgher of the knit goods committee to find out why they had not carried out the agreement which they had with D. C. Collier for having the merchandise on hand inspected and accepted. J. C. Collier returned and reported to the mill that he had a new agreement with Major Burgher, and that he would agree to take the merchandise on hand at the mill, and that he would order inspection

to be started at the mill at once. 8. Said D. C. Collier states that on November 4 a letter was received from the Quartermaster Department setting forth certain special conditions governing the acceptance of the merchandise which were not a part of the original orders and which had not been in force previously in the inspection and acceptance of merchandise, the specifications being so tight and unreasonable that it would have been almost impossible to have delivered any of the merchandise. Said D. C. Collier stated that he endeavored to get this method of inspection modified, but without success. Said D. C. Collier further states that failing to secure a modification of these conditions of inspection that he then wired the department quartermaster accepting them and asking for inspectors to report immediately. Said D. C. Collier states that he found it impossible to have the Government accept the merchandise on hand and to complete their agreement for acceptance of the same as set forth above. Said D. C. Collier and as well J. C. Collier making numerous trips to Washington, New York, and Atlanta seeking to have the Government carry out their obligation, without avail.

7. Said D. C. Collier further states that they never received any notice from Messrs. Burgher and Jacobson of the knit-goods buying committee, or from any other Government official that Messrs. Clift and Goodrich had signed a cancelation on the three aforesaid contracts as of October 18, 19, 22, 1918, and

RELIEF OF THE COLLIER MANUFACTURING CO., INC.

that this information was not secured until 1919 when Mr. J. C. Collier secured

it in Washington from the War Department files.

8. Said D. C. Collier further states that the real reason that the War Department, through the knit-goods committee, was seeking to get out of taking this merchandise, and of tightening up on the inspection, and suggesting that said Collier Manufacturing Co. agree to a cancelation, was that the Quartermaster Department found that the knit-goods committee had purchased much more merchandise than they could use. Maj. F. H. Burgher testified before the Board of Contract Adjustment that his committee bought no more knit undershirts after July 15, 1918, the date of the battle of Chateau Thierry, the result of which changed the mind of the world about the future of the war. Records of the War Department following the close of the war showed millions of cotton undershirts on hand which accounts for the Government officials seeking to avoid taking additional quantities of merchandise in September and October

9. Said D. C. Collier further states that Collier Manufacturing Co. was the real contractor, and so treated by the Government, though technically a subcontractor, due to the fact that Clift & Goodrich was their selling agent, receiving only a small percent commission on all of the sales whether made direct by said Collier Manufacturing or through the efforts of the Clift & Goodrich sales force. Deponent further states that he authorized Clift & Goodrich to closethese contracts aforementioned, at the price specified following negotiations with the depot quartermasters at St. Louis and Atlanta. Deponent further states that Clift & Goodrich signed the cancelation of these orders without the consent or knowledge of said Collier Manufacturing Co.

10. Deponent further states that the officials of said Collier Manufacturing Co. have used every method to collect this claim as follows against the United States Government, and as was provided by the act of March 2, 1919. That they have presented this claim before the Board of Contract Adjustment but have been denied, due to the technical reason that Clift & Goodrich is considered as the contractor, and that there is no provision in this act to take care

of losses by a subcontractor.

11. Deponent further states that the United States Government is morally bound to redress this wrong through an act of Congress, as the law does not

take care of this particular case as above set forth.

12. Deponent further states that as a result of the Quartermaster's handling of these contracts, refusing to carry out agreements made by the knit-goods committee, and the improper signing of cancellation without the knowledge or consent of said Collier Manufacturing Co., that the Collier Manufacturing Co. was financially damaged to a very large degree and that their loss amounted to a total of \$61,530.02 detailed below, and which can be substantiated.

## SUMMARY LOSSES ON WAR CONTRACTS SUSTAINED BY COLLIER MANUFACTURING CO.

United States Quartermaster was to pay for approximately 46,888, type 6, Army undershirts under contract 2848-A at 56 cents each for firsts, 15 percent less for seconds.

1. Net loss Government merchandise sold to H. Goldstein Bros. Co., New York City, detailed on schedule no. 1 attached	P14 000 00
Loss of yarns:	\$14, 082. 29
The 110,000 pounds 16's yarns on hand and under contract cost	
(see par. C)	67, 300, 00
we have a total estimated value on the 110 000 nounds 16's yarna	01, 000.00
less commission of 5 percent to resell, based on offers and	
market quotations (see par. C)	41, 210, 00
2. Total loss on the 110.000 nounds 16's varns	26, 090, 00
5. Loss on 10 hatlock W. & G. machines second-hand value item	_0,000.00
. (1), par U	2, 750, 00
4. Loss on 1 S. & W. knitting machine bought for war use item (2)	2, 100.00
par. C	350.00
5. Item marked (4), par. C (burlap)	272, 00
U. Items marked (3), par () total loss (squaggo roll)	113.50
7. Total loss sustained (see par. D)	5, 061, 91
Total	48, 719. 70

8. Interest for 6 months on \$22,629.70 of net losses sustained (not including yarns, etc.), from Nov. 12, 1918, to May 11, 1919, at 6 percent per annum.	641. 01
9. Interest on 6,000 pounds Swift yarns, 16's, and 18,000 pounds Belton 16's, amounting to \$13,770, from Nov. 12, 1918, to May	
11, 1919, at 6 percent per annum	413. 10
Total	49, 773. 80
10. Interest on \$49,773.80 and other expenses, sheet M attached, \$905.75	11, 756, 22
Total	61, 530. 02
13. Deponent states that the above claim is true and correct.	
(Signed) D. C. Collier.	
[SEAL] RUTLEDGE LAUE	ENS.

RUTLEDGE LAURENS. Notary Public, Georgia, State at Large.

My commission expires June 16, 1937.

#### EXHIBIT 4

WAR DEPARTMENT, OFFICE OF THE ZONE SUPPLY OFFICER, Atlanta, Ga., March 20, 1919.

From: The Zone Supply Officer, Zone Inspection Division, Textile Branch, Atlanta, Ga.

To: The Collier Mfg. Co., Barnesville, Ga. Subject: Contract 2848-A; Clift & Goodrich.

1. With reference to your letter of March 18 advising that you have on hand some 4,000 undershirts which have been inspected and accepted by inspectors from this depot.

2. The records in this office show that a supplemental agreement issued on

the above contract provides for the acceptance of 10.480 garments.

3. Inspection reports show that 10,480 garments have been inspected and accepted. However, of these 10,480 garments, there have only been shipped and paid for, 9,280; which leaves a difference of 1,200 garments accepted, which have not been shipped.

4. According to the above, this office can allow you to ship 1,200 more shirts

on this contract.

5. You are, therefore, requested to make out shipping order request covering 1,200 of these garments which have been inspected by the Government inspector, giving case numbers, etc., in which they are packed.

6. Upon receipt of this shipping order request, bill of lading and shipping instructions will be forwarded you, and invoices passed for payment when

received by this office.

By direction of the zone supply officer:

WM. PARKER, Jr., Second Lieutenant, Quartermaster Corps, Textile Branch.

The US Senate approved the Bill but it failed to pass the House of Representatives. It was resurrected in 1936 as Bill S. 1431.	

Calendar No. 1040

73d Congress 2d Session SENATE

REPORT No. 979

COLLIER MANUFACTURING CO., OF BARNESVILLE, GA.

May 10 (calendar day, May 11), 1934.—Ordered to be printed

Mr. Stephens, from the Committee on Claims, submitted the following

## REPORT

[To accompany S. 2242]

The Committee on Claims, to whom was referred the bill (S. 2242) for the relief of the Collier Manufacturing Co., of Barnesville, Ga., having considered the same, report favorably thereon with the recommendation that the bill do pass with the following amendments:

In line 5, strike out the figures "\$61,530.02" and insert in lieu

thereof the figures "\$48,719.70."

In lines 6 and 7, strike out the words "appropriated, the same being the actual" and insert the words "appropriated, in full settlement of all claims against the Government, for".

In lines 8 and 9, strike out the words "the cancelation of a con-

tract for".

At the end of the bill add the following:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

This claim was presented to the Board of Contract Adjustment of the War Department, but relief was denied, as the Board found that no agreement had been entered into between the Collier Manufacturing Co. and any officer or agent of the Government acting under the authority, direction, or instructions of the Secretary of War or of the President within the purview of the act of March 2, 1919. An appeal was taken from the decision of the Board of Contract Adjustment to the Secretary of War, who, under date of

November 4, 1920, affirmed the decision of the Board of Contract

Adjustment.

On September 11, 1923, the Collier Manufacturing Co. filed a petition in the Court of Claims. The court found the facts, and on June 1, 1925, rendered its decision that the claimant was not entitled to recover, solely on the ground that it had no contract, express or implied, with the Government. The court found that the contracts were made with Clift & Goodrich, and that the only thing in the contract that identified the claimant was that the goods were to be made of their make.

An examination of the decisions of the Board of Contract Adjustment and of the Court of Claims discloses the fact that this claim was not rejected on its merits but was rejected because the claimant did not occupy the legal status of a contract with the Government, and therefore had no claim against the United States that could be adjudicated or allowed under the terms of the act of March 2, 1919 (40 Stat. U.S., pt. 1, p. 1277), providing for the adjustment and settlement of all such damages incurred by war contractors with the Government during the recent World War.

Undoubtedly the decisions were correctly made and no damage could be collected as a matter of law under the act, since the claimant did not occupy the legal status of a contractor, but as a matter of equity and good conscience your committee believe that the claimant should be compensated for losses incurred in its efforts to serve the

Government in good faith in the emergency of war.

The records in this case show that some time prior to March 7, 1918, the Collier Manufacturing Co., which was engaged in the manufacture of knit underwear at Barnesville, Ga., was solicited by the War Department, through the depot quartermaster's offices at St. Louis and Atlanta, to readjust its plant to manufacture cotton undershirts for the use of the Army during the World War. After some negotiations the War Department, on March 7, 1918, entered into a contract with Clift & Goodrich, of New York, who were the general sales agents of the claimants, and who accepted this contract for the account of the claimants and on a brokerage commission basis, under the terms and stipulations of which contract said Clift & Goodrich were to deliver to the Government 120,000 cotton undershirts, the same to be manufactured by the Collier Manufacturing Co., of Barnesville, Ga.

In order to facilitate the transaction, Clift & Goodrich made the contract in behalf of the Collier Manufacturing Co., because Clift & Goodrich had already given the bond required of such contractors; by taking the contract in its own name the transaction could be greatly expedited, which was greatly desired by the Government.

On May 6, 1918, and on June 6, 1918, the Government entered into two similar contracts with Clift & Goodrich each for the manufacture of 120,000 cotton undershirts for the use of the Army, and each contract specifying "these garments to be made by the Collier Manufacturing Co., of Barnesville, Ga., and to be inspected and accepted at the mills."

At first there was no trouble about the character and quality of the merchandise furnished by the Collier Manufacturing Co. under this contract. Out of the first 60,000 garments manufactured there were only six or seven rejects. Up to July 1918 the Collier Manufacturing

Co. shipped the goods direct to the quartermaster's depot at Atlanta without inspection at the mills, and the results of the inspection at Atlanta were so satisfactory that, as already stated, the rejects ran

about 1 garment out of every 1,000.

In July 1918, however, the Government, in compliance with the express terms of its contract, had, in order to facilitate the manufacture and delivery, sent its inspectors to the plant of the manufacturing company at Barnesville, Ga., and from that moment real trouble about this contract began. The inspectors sent to Barnesville were totally inexperienced in and unacquainted with the business of manufacturing cotton undershirts. One of the three men sent to Barnesville had previously been employed as a bundle wrapper in the clothing store of George Muse, in Atlanta, Ga., and one of the others had been a machine fixer in an overall factory in Atlanta, and the third a machine fixer in Atlanta. They were totally unacquainted with the operations of a cotton mill and had never had the slightest experience therein; and instead of applying the "machine test" universally applied in the trade to determine the textile strength of the garment, they undertook to test such textile strength by tearing the garments apart by hand, and they thus injured and destroyed a great many of them, which, of course, they then rejected. Besides, these young men were slow and dilatory about the work of inspection, and as a result of all of the above, the goods began to pile up in the factory. The officers of the Collier Manufacturing Co. undertook to get some relief from this situation, both in Washington with the War Department, and in New York with the Knit Goods Committee, a civilian organization aiding the Government in the execution of contracts of this character. This condition continued unchanged, or growing worse, until on September 5, 1918, the War Department, through Major Gray, one of its Quartermaster officers wired the Collier Manufacturing Co. to stop delivery under these contracts, and finally, on October 18, 19, and 22, 1918, less than a month before the Armistice, the Department canceled all three of the above contracts, one of which was practically executed, and the other two practically unexecuted, by agreement with Clift & Goodrich, which agreement was without consideration of any sort, either to Clift & Goodrich, or to the Collier Manufacturing Co. The Collier Manufacturing Co. did not agree to the cancelation, and had no knowledge of the same until May 14, 1919, some 7 months thereafter.

At the time of such cancelation, it was practically apparent that the war was about over, and that the Government had largely overbought cotton undershirts for the Army, and that each changed situation in this respect had more to do with the so-called cancelation

of contracts than any fault of the manufacturers.

At one time the officers of the Collier Manufacturing Co. did discuss tentatively with the War Department the cancelation of the war contracts, but they always insisted that the Government should take over the goods already manufactured but not accepted, or reimburse them for their actual losses incurred in their effort to perform their contracts with the Government.

It is indisputed that Major Burger, of the Quartermaster Department, and in charge of the execution of contracts of this character, agreed, both in conversation and by letter, to the equity of the claims

of the Collier Manufacturing Co., and agreed to recommend that the Government accept and pay for the goods already manufactured: also that Mr. Johnson, of the Knit Goods Committee, had enter-

tained and expressed a similar opinion about this matter.

Of course these officials had no right to bind the Government, or to fix its liability, but their opinions as to the merits of the claim, at the time of these transactions, is of very great value. It is also a significant and noteworthy fact that in the spring of 1919 Lieutenant Parker, of the quartermaster's depot at Atlanta, bought for the Government several thousand of these cotton undershirts which had been rejected in August and September 1918.

The actual loss sustained by the Collier Manufacturing Co. in this

matter consists of the following items:

1. The merchandise manufactured for the Government on these contracts and not accepted by it was subsequently sold to H. Goldstein Bros. Co., of New York City, at an actual cash loss of \$14,082.29. This figure represented the difference between what these goods actually cost the Collier Manufacturing Co. and what they had to be sold for.

2. The Collier Manufacturing Co. actually lost on yarns bought and contracted for to execute the Government's contract the sum of \$26,090. This amount is arrived at by deducting from the actual cost of these yarns the value of the same at the time the Government refused to proceed with its contracts. Thereupon the Collier Manufacturing Co. was forced to dispose of these yarns, which were no. 16 and the only ones suitable for the execution of these Government contracts and were not suitable for the general civilian trade, by exchanging them for other yarns of a different number at the market price of such yarns at the date of exchange. Such no. 16 yarns had cost the Collier Manufacturing Co. \$67,300, and it was able to obtain therefrom only the sum of \$41,210, which made the loss on this transaction \$26,090.

3. The loss on the machinery and burlap especially bought to execute the contract for the Government was in each instance a total loss, and, while the claimant has only claimed a loss based on the supposed market value of this machinery at the time the contract was canceled, yet in no case has it ever received a cent for this machinery, it having been unable to sell the same, and the same having been junked as worthless, or possibly in some instances at the price

of scrap iron—the amount of this loss is \$3,485.50.

4. The cost of changing the plant and readjusting the equipment of the Collier Manufacturing Co. in order to make it possible to execute the Government's contracts, and after the cancelation of these contracts, the cost of changing it back so as to enable it to resume its ordinary business operations—the total cost of these two operations was \$5.061.90.

The letter from the Secretary of War, the decision of the Court of Claims, and other pertinent papers are appended hereto and made a

part of this report.

WAR DEPARTMENT, Washington, January 27, 1934.

Hon. JoSIAH W. BAILEY,

Chairman Committee on Claims, United States Senate.

Dear Senator Bailey: Careful consideration has been given to your letter of January 12, 1934, enclosing copy of bill (S. 2242) to authorize and direct the Secretary of the Treasury to pay to the Collier Manufacturing Co. of Barnesville, Ga., the sum of \$61,530.02, to cover losses sustained by that company on account of the cancelation of a contract for the manufacture of undershirts for the United States Army in the year 1918.

The claim in question was considered by the Board of Contract Adjustment of the War Department, case no. 150-C-726, and relief denied in a decision dated June 22, 1920. This decision contains a full statement of the facts and circumstances relative to the claim and is contained in volume 6, page 461, Decisions of

the War Department Board of Contract Adjustment.

An appeal was taken from the decision of the Board of Contract Adjustment, above referred to, to the Secretary of War, who under date of November 4, 1920, affirmed the decision of the Board of Contract Adjustment. The action of the Secretary of War is contained in volume 8, page 8, Decisions of the War Depart-

ment Board of Contract Adjustment. On September 11, 1923, the Collier Manufacturing Co. filed a petition in the Court of Claims covering the same claim. The court found the facts as set forth in the decision of the War Department Board of Contract Adjustment referred to above. On June 1, 1925, the Court of Claims rendered its decision that the plaintiff was not entitled to recover. On October 26, 1925, a motion for a new trial was overruled. This decision is contained in Court of Claims Reports No. 61, page 32. A writ of certiorari was denied by the United States Supreme Court on June 1, 1926 (271 U.S. 680).

For the reasons set forth in the above findings and decisions and for the further reason that the matter has already been adjudicated, this Department recommends

that the above bill be not reported favorably.

The file in this case is voluminous. To have it photostated would entail considerable expense. However, if the Committee on Claims still desires to see the file, even though the matter has already been before the court for final action, this Department will be glad to furnish it.

Sincerely yours,

GEO. H. DERN, Secretary of War.

## EXHIBIT 1, COURT OF CLAIMS OPINION

COLLIER MANUFACTURING Co. (INC.) v. THE UNITED STATES

This case having been heard by the Court of Claims, the court, upon the evidence, makes the following

## FINDINGS OF FACT

Plaintiff was in 1918 a corporation created under the laws of the State of Georgia, engaged in the manufacture of knit underwear.

Prior to March 7, 1918, samples and specifications of Government merchandise were sent to plaintiff by the depot quartermaster of St. Louis. Afterward a letter was received from the depot quartermaster at Atlanta, asking for full details of plaintiff's manufacturing facilities and submitting to plaintiff specifications on the underwear wanted. Plaintiff then visited defendant's officers in Atlanta, Ga., relative to its manufacturing facilities and to secure information regarding the underwear required by defendant.

Plaintiff communicated with Clift & Goodrich, of New York, who at that time were its sales agents, and gave them full details covering the quantity of merchandise that it could furnish and the prices. Samples were submitted by plaintiff to Government officials. Plaintiff instructed Clift & Goodrich to accept the first order for its account.

The following is a communication from Clift & Goodrich to plaintiff, dated June 20, 1918:

"The following is a statement of the arrangements as they exist between us as we understood in conference with your Mr. Collier:

"We are to have the sole and exclusive control of your output of merchandise, and all sales are to be made only to such customers as we approve. If any sales are made at the mill, they are to be reported immediately to us for record on our books.

"We are to render account current monthly for shipments made during the preceding month, such account current to be rendered about the 10th of each month, and we are to receive a commission of 5 percent of the net amount of sales for our compensation, for service, for selling and guaranteeing the accounts receivable, and for such other services as we may render, and we shall have the right to deduct this commission from the account current when making settlement about the 10th of each month for the previous month's deliveries.

"It is understood that we will make you advances during the month as requested

by you.
"The billing of goods to customers is to be done in our name only, and we shall have the sole right to make collections.

"Interest on the account is to be computed at the rate of 6 percent per annum

on both sides.

"All express charges, telegrams, etc., from you to us are to be prepaid, and if sent collect, are to be charged to your account. All express charges, telegrams, etc., from us to you are to be prepaid by us.

"All samples which are used by us for selling purposes are to be settled for at

the end of the season at a discount of 50 percent.

"The above arrangement is to continue in force up to July 1, 1919, and after that date is to continue in force from year to year unless notice in writing is given by either party to the other on or before the 1st day of March in any year of a desire to terminate contract on the 1st day of July following such notice.

"It is also agreed and understood that should either party give notice on or before the 1st day of March in any year of a desire to terminate contract on the 1st day of July following such notice, you are privileged to go ahead and sell and make such arrangements necessary for the following year's output.

"Kindly confirm the foregoing, and oblige."

The following reply to said letter was sent to Clift & Goodrich by plaintiff in June 1918:

"Gentlemen: We hereby confirm the within understanding and agree to the terms mentioned."

On March 7, May 7, and June 11, 1918, the Government entered into certain contracts with Clift & Goodrich, of New York City, for furnishing and delivery to it of a specified quantity of undershirts for use by the Army. A copy of the several contracts, marked "Exhibits A, B, and C," respectively, is attached to the petition, and each of them is made a part of these findings by reference. Copies of the awards, as attached to the several contracts, are attached to the said copies of the contracts as parts of exhibits A, B, and C to the petition and are made a part hereof by reference. It appears from these awards that each of them provided that the undershirts were to be made by the Collier Manufacturing Co.

## VI

The contract of March 7, 1918, called for delivery of 120,000 garments, of which there were delivered to the Government approximately 106,332, which were accepted. These garments were made in a satisfactory manner, and a comparatively small number, approximately 60, were rejected on inspection by the defendant.

The garments were made by the plaintiff at its plant at Barnesville, Ga. Shipments were made to the depot quartermaster at Atlanta. Invoice of the shipment was sent by plaintiff direct to Clift & Goodrich in New York and a copy of the invoice was forwarded to the depot quartermaster. Upon its receipt by them, Clift & Goodrich sent an invoice to the depot quartermaster at Atlanta for the goods that had been shipped direct, and payments were made to Clift & Goodrich by the Government at New York. Upon the contract of May 7, 1918, which called for the delivery of 120,000 undershirts, approximately 10,480 were delivered and accepted under the same shipping and billing conditions as obtained with reference to the contract dated March 7, 1918. No deliveries were made on contract of June 11, 1918.

Plaintiff increased its plant and facilities for the performance of the work called for by these contracts. In September 1918 Major Burgher, one of defendant's officers, advised plaintiff to change its plant back to civilian work and allow the Government to cancel the contracts and take over what merchandise plaintiff had in process of manufacture. After deliveries on first contract and while in the performance under second contract, defendant placed at plaintiff's plant incompetent inspectors, who, over the protest of plaintiff, mutilated about 25,000 undershirts, rendering them unfit for civilian trade. Major Burgher, of defendant's knit-goods buying committee, stated to plaintiff that he would do what he could to have the Government take these goods off of plaintiff's hands, and afterward stated to plaintiff that he had found a way to do so, and promised to give plaintiff shipping instructions, which was not done. Plaintiff's loss, if any, on this item is not satisfactorily shown by the evidence. On September 5, 1918, plaintiff received from Major Gray, one of defendant's officers, a telegram as follows: "No further shipments will be received on contract 2848-A until satisfactory garments can be delivered." This telegram was received by plaintiff while the inspectors, referred to, were at the plaintiff's plant. The failure to accept further deliveries caused plaintiff to receive less money than it would have received if the contracts had been fully performed. The amount of the loss, if any, is not satisfactorily proved.

Plaintiff knew that defendant's officer, Major Burgher, had no authority to enter into or sign contracts; that his authority was limited to recommending purchases.

On October 18, October 19, and October 22, 1918, the Government entered into supplemental agreements with Clift & Goodrich, canceling the three original contracts herein referred to and mentioned in finding V. Copies of these supplemental agreements dated October 18, 19, and 22, 1918, are attached to plaintiff's petition marked "Exhibits D, E, and F", respectively, and are made a part of these findings by reference.

#### XI

On November 4, 1918, defendant wrote Clift & Goodrich a letter as follows: "Referring to the recent interview with Mr. Collier, Sr., and Mr. McKenzie regarding the quantity still on hand of undershirts at the Collier Manufacturing

"It will be recalled that this branch stated that we would investigate the matter and find some way by which it would be possible to recommend the stock

of approximately 27,000 undershirts for purchase.

"We have taken this matter up very thoroughly with our inspection and depot relations branch, who in turn took the matter up with Maj. Frank Walton, in charge of the Atlanta depot.

"We are informed by the inspection and depot relations branch to notify you that a recommendation for purchase will be made under the following conditions:

"The Collier Manufacturing Co. to thoroughly and carefully inspect the total quantity of undershirts on hand and segregating those garments that they consider to be imperfect and of tender fabric.

"Notify this branch as to the quantity then remaining which they offer for purchase and for which a recommendation to purchase will be made by this

"The Atlanta depot quartermaster will then inspect the quantity purchased and if rejects are found in this lot to exceed 3 percent of the amount purchased, the entire quantity will be rejected and contract considered as completed.

"Will you take this matter up immediately and inform this branch if you will accept the above conditions to apply against the purchase of the quantity on hand? On receipt of your reply stating the quantity to be purchased, this

COLLIER MANUFACTURING CO., OF BARNESVILLE, GA.

"By authority of the Director of Purchase."

branch will then make the necessary recommendations.

#### XII

On April 8, 1919, defendant, in reply to a letter from plaintiff of April 5, 1918, sent the following letter:

"In reply to your favor of April 5, you are informed that the dates of supple-

mental agreements reducing your contracts are as follows:

"Contract No. 1164-A, October 18, 1918. "Contract No. 2848-A, October 22, 1918. "Contract No. 3735-A. October 19, 1918."

This claim was presented to the Board of Contract Adjustment of the War Department and that board found that no agreement was entered into between the Collier Manufacturing Co. and any officer or agent of the Government acting under the authority, direction, or instructions of the Secretary of War or of the President within the purview of the act of March 2, 1919. This action was confirmed by the Secretary of War. (See vol. 8, p. 8, Decisions of the War Department.)

#### CONCLUSION OF LAW

Upon the foregoing findings of fact the court decides, as a conclusion of law, that the plaintiff is not entitled to recover and the petition must be, and it is hereby, dismissed.

Judgment is rendered against the plaintiff in favor of the United States for the cost of printing the record in this case, the amount thereof to be entered by the clerk and collected by him according to law.

#### MEMORANDUM

Three contracts were made by Clift & Goodrich with the Government, copies of them being attached to the petition. Plaintiff alleges that Clift & Goodrich were sales agents, and on account of the cancelation of the contracts by separate supplemental contracts, also made by Clift & Goodrich, it claims to have suffered a loss. There is no question that the contracts were made with Clift & Goodrich, nor is there any question that there was a settlement made with them by the Government. The plaintiff seeks to make these contracts its own upon the assumption that Clift & Goodrich were its agents. The only thing in the contract that identified the plaintiff with them was that the goods were to be of their make. But this was an undertaking by Clift & Goodrich so far as the Government is concerned, and having made the contract with them, whether they were sales agents of plaintiff or not, the Government had a right to deal with them and did so. The plaintiff had no enforceable contract with the Government. When the matter was heard before the Board of Contract Adjustment they came to that conclusion and the conclusion was confirmed by the Secretary of War. (See Decisions of War Department, vol. 6, p. 461, and vol. 8, p. 8.) There being no contract, express or implied, between the Government and the plaintiff, it cannot recover.

Graham, Judge, took no part in the decision of this case.

#### Ехнівіт 2

CLIFT & GOODRICH, New York, May 14, 1919.

Mr. J. C. COLLIER,

Raleigh Hotel, Washington, D.C.

DEAR SIR: We have your telegram reading, "Mail Raleigh Hotel copies, our date contracts with you, copies of three Government contracts for orders given us, copies of the cancelations of contracts given Government by you." We wish to state that the following are the numbers and the dates:

Contract no. 1164A, dated March 7, 1918. H. J. Hirsch by H. M. Schofield. Contract no. 3735A, dated June 11, 1918. H. J. Hirsch, S. W. Shaffer. Contract no. 2848A, dated May 6, 1918. Hirsch by Schofield.

We regret to state that we cannot give you the exact date of the cancelation. We wrote you under date of November 15, 1918, as follows:

"We have today received official cancelation from Washington covering the three contracts which you have the balance due on contracts nos. 2848, 1164, and the entire amount due on contract 3735."

This probably will answer your purpose. If we can help you in any way please do not hesitate to call on us, and trusting that you will have success, we

remain

Yours very truly,

CLIFT & GOODRICH.

#### Ехнівіт 3

In the matter of the House bill no. 6828, and Senate bill no. 2242 for the relief of the Collier Manufacturing Co., Barnesville, Ga., from losses sustained by reason of having contracts canceled by the United States Quartermaster Department in 1918, said bills now being before the Committee on Claims.

Personally came before me, one D. C. Collier, who, under oath this the 1st day

of February 1934, makes the following statement:

1. That he was manager of the Collier Manufacturing Co., of Barnesville, Ga., a textile firm which had accepted through its selling agent, Clift & Goodrich, of New York, N.Y., the following contracts for manufacturing cotton undershirts, from the Quartermaster Department of the United States Army:

1164A, dated March 7, 1918, for 120,000 garments. 2848A, dated May 6, 1918, for 120,000 garments. 3735A, dated June 6, 1918, for 120,000 garments.

2. That prior to the closing of these contracts that said Collier Manufacturing Co. was approached by depot quartermasters at both St. Louis and Atlanta to take orders for the manufacture of merchandise for the United States Army

during the national emergency.

3. That for patriotic reasons said Collier Manufacturing Co. passed up most profitable civilian business and took the before-mentioned business through its selling agent, Clift & Goodrich, and that the Collier Manufacturing Co. sustained losses during the year 1918 by reason of the governmental handling and cancelation of these contracts, whereas practically all other manufacturing concerns were showing large profits during this period.

4. That the Collier Manufacturing Co. filled all of contract 1164A but did not secure bills of lading from the Quartermaster Department to ship all of the merchandise, said Collier Manufacturing Co. being allowed to start on the manufacture and delivery of contract 2848A, it being the intent to later give delivery instructions for a certain quantity of seconds at the Collier Manufacturing Co.'s plant which the Quartermaster Department has allowed to be applied to contract 1164A, but which the Government never accepted.

5. That the merchandise manufactured by the Collier Manufacturing Co. and applied against contract 1164A was very satisfactory to the Quartermaster Department in Atlanta, as the records showed that only a total of 50 rejects out

of 60,000 garments delivered.

6. That partial deliveries were made against contract no. 2848A when mill was held up on delivery by telegram dated September 6, 1918, quoted: "No further shipments will be received on contract 2848A until satisfactory garments

can be delivered; signed: Gray, 10:08 a.m."

7. That said D. C. Collier made every attempt to deliver merchandise against the above order to the Quartermaster Department at Atlanta, repeatedly calling their attention to the incompetency of the inspectors stationed at the plant of the Collier Manufacturing Co. for receiving merchandise, none of the men detailed having ever been in an underwear plant prior to their designation as knit-underwear inspectors by the Government. That said D. C. Collier protested at the method used by the inspectors of testing merchandise, forcibly tearing the cloth as a strength test, instead of using the usual machine method for testing the strength of cloth. That he repeatedly called the attention of the Quartermaster Department in Atlanta to the fact that the method of inspection so seriously damaged the merchandise that it was not salable to the civilian trade.

5. That finally in order to try and get relief with a competent and efficient method of inspection, that said D. C. Collier made a trip to New York to interview the officials of the knit goods buying committee (civilian) and presented

the case, and that immediately Mr. Jacobson and Major Burgher suggested that the orders be canceled, stating that the Government had a sufficiency of merchandise, mentioning that they had already canceled orders which had been placed with the Signal Knitting Mills, of Chattanooga, Tenn. They further stated that the inspectors detailed to the plant by the depot quartermaster had damaged the rejected merchandise by marking it up so as to render it unsalable for civilian purposes. They stated that they would order the merchandise on hand and in process inspected immediately for delivery on contract, and would wire the depot quartermaster to have inspectors report to the plant at once. Mr. Burgher stated that he had secured authority to take our seconds on hand, and as well the first at the mill, and that following the completion of delivery on these that then cancelation would be issued for the unfilled balance on the orders formerly referred to. Said D. C. Collier further states that this agreement was satisfactory to him, and he returned to the mill to await inspectors for accepting and passing delivery of the merchandise; above agreement dated September 18, 1918.

6. That, on returning to the mill, no move was made by the Government officials to carry out the agreement aforesaid, no inspectors from the Atlanta depot reported to the plant. Said D. C. Collier further states that he used every effort to have the inspectors report to the plant for accepting the merchandise on hand, communicating with the Atlanta depot of Clift & Goodrich, and the officials of the knit goods branch in New York, but without avail. Officials of the knit-goods branch not even answering the telegram.

7. Said D. C. Collier states that finally after about 30 days had elapsed, J. C. Collier made a trip to New York to see Messrs, Jacobson and Burgher of the knitgoods committee to find out why they had not carried out the agreement which they had with D. C. Collier for having the merchandise on hand inspected and accepted. J. C. Collier returned and reported to the mill that he had a new agreement with Major Burgher, and that he would agree to take the merchandise on hand at the mill, and that he would order inspection to be started at the mill

at once.

8. Said D. C. Collier states that on November 4 a letter was received from the Quartermaster Department setting forth certain special conditions governing the acceptance of the merchandise which were not a part of the original orders and which had not been in force previously in the inspection and acceptance of merchandise, the specifications being so tight and unreasonable that it would have been almost impossible to have delivered any of the merchandise. Said D. C. Collier stated that he endeavored to get this method of inspection modified, but without success. Said D. C. Collier further states that failing to secure a modification of these conditions of inspection that he then wired the department quartermaster accepting them and asking for inspectors to report immediately. Said D. C. Collier states that he found it impossible to have the Government accept the merchandise on hand and to complete their agreement for acceptance of the same as set forth above. Said D. C. Collier and as well J. C. Collier making numerous trips to Washington, New York, and Atlanta seeking to have the Government carry out their obligation, without avail.

7. Said D. C. Collier further states that they never received any notice from Messrs. Burgher and Jacobson of the knit-goods buying committee, or from any other Government official that Messrs. Clift and Goodrich had signed a cancelation on the three aforesaid contracts as of October 18, 19, 22, 1918, and that this information was not secured until 1919 when Mr. J. C. Collier secured it in

Washington from the War Department files.

8. Said D. C. Collier further states that the real reason that the War Department, through the knit-goods committee, was seeking to get out of taking this merchandise, and of tightening up on the inspection, and suggesting that said Collier Manufacturing Co. agree to a cancelation, was that the Quartermaster Department found that the knit-goods committee had purchased much more merchandise than they could use. Maj. F. H. Burgher testified before the Board of Contract Adjustment that his committee bought no more knit undershirts after July 15, 1918, the date of the battle of Chateau Thierry, the result of which changed the mind of the world about the future of the war. Records of the War Department following the close of the war showed millions of cotton undershirts on hand which accounts for the Government officials seeking to avoid taking additional quantities of merchandise in September and October 1918.

9. Said D. C. Collier further states that Collier Manufacturing Co. was the real contractor, and so treated by the Government, though technically a subcontractor, due to the fact that Clift & Goodrich was their selling agent, receiving only a small percent commission on all of the sales whether made direct by

said Collier Manufacturing or through the efforts of the Clift & Goodrich sales force. Deponent further states that he authorized Clift & Goodrich to close these contracts aforementioned, at the price specified following negotiations with the depot quartermasters at St. Louis and Atlanta. Deponent further states that Clift & Goodrich signed the cancelation of these orders without the consent or knowledge of said Collier Manufacturing Co.

10. Deponent further states that the officials of said Collier Manufacturing Co. have used every method to collect this claim as follows against the United States Government, and as was provided by the act of March 2, 1919. That they have presented this claim before the Board of Contract Adjustment but have been denied, due to the technical reason tht Clift & Goodrich is considered as the contractor, and that there is no provision in this act to take care of losses by a subcontractor.

11. Deponent further states that the United States Government is morally bound to redress this wrong through an act of Congress, as the law does not

take care of this particular case as above set forth.

12. Deponent further states that as a result of the Quartermaster's handling of these contracts, refusing to carry out agreements made by the knit-goods committee, and the improper signing of cancelation without the knowledge or consent of said Collier Manufacturing Co., that the Collier Manufacturing Co. was financially damaged to a very large degree and that their loss amounted to a total of \$61,530.02 detailed below, and which can be substantiated.

## SUMMARY LOSSES ON WAR CONTRACTS SUSTAINED BY COLLIER MANUFACTURING CO.

United States Quartermaster was to pay for approximately 46,888, type 6, Army undershirts under contract 2848-A at 56 cents each for firsts, 15 percent less for seconds.

1.	Net loss Government merchandise sold to H. Goldstein Bros.			
_	Co., New York City, detailed on schedule no. 1 attached	\$14,	082.	29
LOS	ss of yarns:			
	The 110,000 pounds 16's yarns on hand and under contract cost			4
	(see par. C)	67,	300.	00
	We have a total estimated value on the 110,000 pounds 16's			
	yarns less commission of 5 percent to resell, based on offers			
9	and market quotations (see par. C)		210.	
2.	Total loss on the 110,000 pounds 16's yarns	26, 0	190.	00
υ.	Loss on 10 flatlock W. & G. machines, second-hand value, item (1), par C	0 1	770	00
1	Loss on 1 S. & W. knitting machine bought for war use, item (2),	2,	750.	00
7.	non (		250	00
5	Item marked (4), par. C (burlap)		350. 272.	
6.	Items marked (3), par. C, total loss (squeeze-roll)		113.	
7.	Total loss sustained (see par. D)		061.	
	- Total Total Statement (500 par. B)	5, (	001.	91
	Total	48,	710	70
8.	Interest for 6 months on \$22,629.70 of net losses sustained (not	10,	110.	.0
	including yarns, etc.), from Nov. 12, 1918, to May 11, 1919,			
	at 6 percent per annum		641.	01
9.	Interest on 6,000 pounds Swift varns, 16's, and 18,000 pounds			-
	Belton 16's, amounting to \$13,770, from Nov. 12, 1918, to			
	May 11, 1919, at 6 percent per annum		413.	10
	3 Her	* 128		_
10	Total	49,	773.	80
10.	Interest on \$49,773.80 and other expenses, sheet M attached,			
	\$905.75	11,	756.	22
	Total	01	-00	00
1		61,	530.	02
13.	Deponent states that the above claim is true and correct.			mil.

[SEAL]

RUTLEDGE LAURENS, Notary Public, Georgia, State at Large.

(Signed) D. C. COLLIER.

My commission expires June 16, 1937.

#### Ехнівіт 4

WAR DEPARTMENT,
OFFICE OF THE ZONE SUPPLY OFFICER,
Atlanta, Ga., March 20, 1919.

From: The Zone Supply Officer, Zone Inspection Division, Textile Branch, Atlanta, Ga.

To: The Collier Mfg. Co., Barnesville, Ga. Subject: Contract 2848–A; Clift & Goodrich.

1. With reference to your letter of March 18 advising that you have on hand some 4,000 undershirts which have been inspected and accepted by inspectors from this depot.

2. The records in this office show that a supplemental agreement issued on the

above contract provides for the acceptance of 10,480 garments.

3. Inspection reports show that 10,480 garments have been inspected and accepted. However, of these 10,480 garments, there have only been shipped and paid for, 9,280; which leaves a difference of 1,200 garments accepted, which have not been shipped.

4. According to the above, this office can allow you to ship 1,200 more shirts

on this contract.

5. You are, therefore, requested to make out shipping order request covering 1,200 of these garments which have been inspected by the Government inspector, giving case numbers, etc., in which they are packed.

6. Upon receipt of this shipping order request, bill of lading and shipping instructions will be forwarded you, and invoices passed for payment when received

by this office.

By lirection of the zone supply officer:

WM. PARKER, Jr.,
Second Lieutenant, Quartermaster Corps,
Textile Branch.

Georgia	) which authorized .70 for its losses wa	or the Relief of Colli the Secretary of the is passed by both th	Treasury to comp	oensate Collier Man	ufacturing
only	to be vetoed by Pro	esident Franklin D. R	Poosevelt.		

## MEMORANDUM

# IN SUPPORT OF THE BILL (S.1431) FOR THE RELIEF OF THE COLLIER MANUFACTURING COMPANY

OF BARNESVILLE, GEORGIA

#### -1-

#### STATEMENT OF CLAIM

A few weeks before the beginning of the World War, and in anticipation thereof, the Collier Manufacturing Company of Barnesville, Georgia, hereinafter referred to as claimant, was approached by representatives of the Government from the Quartermaster's depots of St. Louis, Mo., and Atlanta, Ga., with a view of securing the services of the claimant in the manufacture of undershirts for the U. S. Army.

Although the claimants had a profitable and satisfactory business in the manufacture of goods for the civilian trade, its officers felt that it was their patriotic duty to undertake this work since the Government desired it to do so.

Accordingly, the contracts that are involved in this claim were entered into on March 7, 1918, May 7, 1918, and June 11, 1918. Each contract called for the manufacture of 120,000 garments (undershirts). The price specified in the first of these contracts was 52½ cents per garment; in the second contract 56 cents per garment, and in the third contract 58 cents per garment.

At the time of the executing of these contracts Clift & Goodrich of New York were the Selling Agents of Claimant. Clift & Goodrich were large brokers of cotton goods and were the selling agents of many cotton manufacturing concerns. At the time the first contract was executed some of the officials of the Government (Knit Goods Cotton Committee) suggested that as Clift & Goodrich had already given bond and were well and favorably known to the War Department it would greatly facilitate matters if the contracts were taken in the name of Clift & Goodrich, and that haste in getting to work on these contracts was most important to the Government and necessary to the prosecution of the War. Claimant readily acceeded to this suggestion, for the reasons stated, but in the letters of award appended to each of the contracts was the statement that these goods were to be made by the Collier Manufacturing Company

of Barnesville, Ga., showing that the Government knew that claimant was the real party to the contract, Clift & Goodrich being interested only to the extent of a brokerage fee or selling agents commission on the amount to be realized by the claimant from the transaction.

At first there was no trouble whatever about the satisfactory performance of the contract or the acceptance by the Government of the goods manufactured. There being only SIX final rejections of the first 60,000 garments manufactured, the amazing average of one garment to every ten thousand manufactured!

The subsequent award to claimant of the contracts of May 7, 1919, and of June 11, 1918, both at increased prices over and above that fixed in the original contract, with the greatest increase in the price fixed in the last contract is complete and conclusive proof that at least up to June 11, 1918 the government was entirely satisfied with the goods furnished by the claimant.

Everything continued to work out satisfactorily to both parties until sometime in July, 1918, when all of the garments called for by the first contract, except 13668 had been manufactured and 10480 of the garments called for in the second contract had been manufactured and none of those called for in the third contract had been manufactured.

About this time the congestion of work in the Quartermaster's Depot at Atlanta has so slowed up inspections that goods began to pile up in the plant of claimant, slowing up its production and inflicting heavy losses upon it both in the execution of its government contracts and its other business.

Claimants complained and protested about this situation, repeatedly and continuously. It urged that competent inspectors be sent by the government to its plant at Barnesville, Ga., and that inspections, acceptances and shipping orders be given there.

The Government finally acceded to this suggestion and sent three inspectors to the plant of claimant. Instead of this improving the situation it only made it worse. The inspectors sent to claimants plant were entirely without experience or competency for the work. The only previous business experience of one of them was as a bundle wrapper in the clothing store of George Muse in Atlanta; the other two had some experience as machinists, but none in the work of inspecting cotton mill products. They were, consequently, slow and inexperts in the work and slowed down production and shipments even more than the congestion in the Quartermaster's Depot at Atlanta had slowed it down. Instead of using the ordinary and general tests uniformly employed in the trade to test the tensile strength of garments, which is by a machine especially made for the purpose, they undertook to test them by tearing them apart with their hands, in this way they mutilated many perfectly good garments that were all right so that they had to be rejected.

The Government officials (Knit Goods Committee) admitted the unfairness and unreasonableness of this kind of inspection and conceded that the Government ought to pay for the garments so injured and rejected.

This situation continued to grow worse until finally on September 5, 1918, the Government (through the Quartermaster's Department) finally wired claimant to the effect that no further shipments would be accepted "until satisfactory garments could be delivered".

On September 18, 1918 the Government (through the Knit Goods Committee) after conference with claimant agreed that the Government should at least pay claimant for the undershirts already manufactured and on hand, but later claimed they were without authority to accomplish that.

Finally on October 18, 19 and 20, 1918, the Government by an agreement with Clift & Goodrich cancelled all the contracts, Clift & Goodrich agreeing to release the Government from all liability thereon. This agreement was not acquiesced in by the claimant and was unknown to them until May 14, 1919, nearly seven months thereafter. In fact on November 5, 1918, more than two weeks after the alleged "cancellation" Clift & Goodrich sent to claimant a letter from the Knit Goods Committee (Government) proposing a new and different method of inspection, not provided for in the contracts, for the merchandise in the plant of claimant, manufactured under these contracts.

It was a matter of common and general knowledge, at the time of the "cancellation" that the War was about to end, in fact, it did end in three weeks thereafter.

The officials of the Government both in the Knit Goods Committee and in the Quartermaster's Department freely admitted to officers of claimant that the government was overcontracted for goods of this character and that they were cancelling contracts wherever it was possible for them to do so. In this case that was done because of the purely technical contention that the contract was in the name of Clift & Goodrich, and not in the name of claimant. Claimant has never been unwilling that these contracts should be cancelled after the Government no longer needed the goods it had contracted for, but it has always insisted and still insists that when the Government does cancel a contract for such goods, it shall at least pay to the opposite party at interest its actual losses occasioned by such cancellation. This is all that this bill accomplishes, or seeks to accomplish. In the following section of this memorandum a detailed account of the subsequent efforts of claimant to obtain relief will be given.

#### LOSSES OF CLAIMANTS.

These losses are fully set out at the bottom of page 28 of the Hearing before the sub-committee of the Committee on Claims of the Senate (February 14, 1934) recapitulating and explaining that statement:

- 1. It was necessary to make certain changes in both the plant itself and the machinery in order to execute the Government contract. This was done in the spring of 1918 at a cost of \$2,801.03; in the winter of 1918 it was necessary to change the plant back for civilian manufacture, and some of the machinery bought for the war contract had to be scrapped, sold or held at a loss; the cost of this was \$2,147.30. There was also an expense incurred for freight and other incidentals, not included in above, \$113.50; the total of the three items being \_\_\_\_\_\_\$5,061.91
- 2. Loss on merchandise on hand (undershirts) manufactured for the Government, and afterwards sold at the market to H. Goldstein & Company, of New Cork, after the Government refused to accept same; the actual cost to claimants of these shirts was \$25,813.86. They were sold to Goldstein & Co. August 17, 1919 for \$11,731.57, making the net loss \_\_\_\_\_\$14,082.29
- (S. Rep. P. 15)

  3. Loss on Yarns. In order to execute the Government contracts claimant had bought 110.000 pounds of yarn, of a kind different from that used in civilian trade, at a cost of \$67,300 (Sen. Rep. P. 15). A year later, early in 1919, when the Government ceased all negotiation with respect to these contracts and finally abandoned the contracts (May 1919) the value of these yarns had fallen to \$41,210 (Sen. Rep. PP. 15 & 16) involving a loss of \_\_\_\_\_\$26,090.00
- 4. Loss on ten flat lock W & G machines, not included in Item One hereof \_\_\_\_\_\$2,750.00 (Sen. Rep. P. 28)
- 5. Loss on miscellaneous items of machinery and materials, also not included in Item One \_\_\_\_\_\$735.50 (Sen. Rep. P. 28)

Total actual loss in cash (Items 1-5.) \_\_\_\_\_ \$48,719.70

#### -III-

# PERSISTENT AND CONTINUED EFFORTS OF CLAIMANT TO OBTAIN RELIEF.

If the thought should occur to anvone that this claim is stale (17 years after the war) or that claimant has been guilty of laches in prosecuting it a rectal of the numerous efforts of claimant to obtain relief will thoroughly dispel that idea.

It will be recalled that it was not until May 14, 1919, about seven months after it occurred, that claimant had any knowledge or any notice from either Clift & Goodrich or from the Government that its contracts had been "cancelled". In the meantime the Act of March 2, 1919, for the relief of certain war contracts, had been passed by Congress.

Claimant promptly sought to avail itself of its provisions and to have its claims for losses on account of the unjust cancellation of its contracts adjusted, but after taking evidence, the War Department Board of Contract Adjustment decided on June 22, 1920 (Decision of War Dept. Board of Contract Adjustment Vol. 6, P. 469) that since claimant was not a formal party to the contract it had no power to adjust his losses, under the terms of the Act.

Upon appeal to the Secretary of War this decision was, on November 4, 1920, upheld by the Secretary of War (1 bid. Vol 8, P 8)

On September 11, 1923 Claimant proceeding under the provisions of the Act of March 2, 1919 sought to obtain relief from the Court of Claims.

On June 1, 1925, the Court of Claims, after taking a great deal of evidence on the merits, in effect sustained a demurrer to the evidence (61 Court of Claims Reports, P. 32) holding, as had the War Department Board, and the Secretary of War, that the claimant was not entitled under the provisions of the Act of March 2, 1919 to relief, because it was not a formal party to the contracts. On June 1, 1926, the Supreme Court of United States refused to sanction a writ of Certiorari seeking to review this ruling (271 U. S. 680)

It is worthy of note that every single one of these adjudications rest on the single and sole proposition that since claimant was not a formal party to the contracts, and that it had no legal rights thereunder, according to the provisions of the Act of March 2, 1919. In other words they all held that under the law claimant had no rights and had suffered no wrongs that either the War Department or the Court of Claims could adjust under the general Act.

With the Act of March 2, 1919 given this strict and narrow construction as to the meaning of the word "contractor" employed in it, claimant was entirely remediless at law, and then turned to Congress for the relief to which in equity and good conscience it was justly entitled, for it is one of the first and foremost functions of private bills in Congress to do justice and equity to those parties having dealings with the Government who are without remedy at law.

Early in the 73rd Congress Senator George introduced a bill for the relief of claimant. A bearing was held by a sub-committee, it was favorably reported by the sub-committee and then by the Senate Committee on Claims, and was finally passed by unanimous vote by the Senate on May 28, 1934, after full explanation and discussion.

It failed of passage in the jam in the House at the end of the last Congress.

This bill was reintroduced in the Senate early during the present session, again favorably reported by its Committee on Claims, and again passed the Senate, without opposition and after explanation and discussion on March 29, 1935.

It has been favorably reported by one of its sub-committees to the House Committee on Claims, and favorably reported by the whole Committee on Claims, by unanimous vote, to the House.

It is true that under date of January 27, 1934, the Secretary of War advised the Senate Committee on Claims against the passage of this bill, but his report against the bill had no effect either upon the Senate Committee or the Senate itself, because the Secretary merely recited the several occasions, already set forth fully herein, on which the War Department and the Court of Claims held that the claimant had no standing in law because it was not a formal party to the contracts, without taking issue in any way upon the merits, or denying that the claimant was entitled to this relief, as a matter of equity and good conscience, to make good its actual losses sustained in its effort to serve the government, when urged to do so by the Government officials, in spite of the fact that it was not the actual formal party to the contracts; again, because in the interest of expediting manufacture, at the beginning of the war, officials of the Government had urged that the contracts be taken that way.

#### \_IV\_

#### CONCLUSION

This matter cannot be better summarized than by quoting, literally, the statement made by Senator George, a learned jurist who is fully acquainted with the facts, made on the floor of the Senate on March 29, 1935, in support of this bill:

Mr. George: "Mr. President if the Senator will permit me, I will make a brief explanation of the bill.

"This is an old claim, one that grew out of the World War. It was first submitted to the Ward Department Contract Board which decided that the claimant was not entitled to relief because he was not a formal party to the contract; that is, that there was no contract with this claimant. Subsequently suit was brought in the Court of Claims, and that court found all the material facts going to the merits of the case in favor of the claimant, but decided the case adversely to the claimant upon the ground that the Collier Manufacturing Company was not a party to the contract with the Government.

"The contract was for the production of certain garments to be used by the Army during the war period. The merits of the case, so far as the loss is concerned, are not questioned; that is to say, the Court of Claims found with the claimant on every point that involved the actual merits of the claim.

"The facts are these: The contract was made between the

governmental agency on the one part and Clift & Goodrich of New York. Clift & Goodrich were the selling agents of the Collier Manufacturing Co. The selling agents had already executed bond; they were already able to take the contract and go forward with it immediately, without the delay incident to the execution of a bond, and the approval of the sureties, and other arrangements. Clift & Goodrich, being the selling agents of the Collier Manufacturing Co., themselves made the contract, but the contract was to be executed by the Collier Manufacturing Co.; indeed, the contract provided that the goods were to be manufactured by the Collier Manufacturing Co. That company, however, was not a formal party to the contract; but it did reorganize its plant, put in new machinery, and actually produced the goods. The end of the war rapidly approaching, some excuse was found upon which the contract was canceled.

"The cancelation was made with Clift & Goodrich, but they clearly had no legal right to put an end to the contract so far as the Collier Manufacturing Co., the real party to the contract, the party having the beneficial interest in the contract, was concerned. They did not undertake to do that, but they did consent to a formal cancelation of the contract at one time.

"A similar bill has been before the Senate previously and passed in the last Congress. It did not pass the House. It seems to me this is a case where the Congress should afford relief, because the party beneficially interested, the real party involved, is not able to assert its claim in the Court of Claims, not being formally a party to the contract; that is to say, the Court of Claims based its decision squarely on the point that the contractual relation did not exist between the Collier Manufacturing Co. and the Government, but did exist between Clift & Goodrich and the Government."

The claim is just and metritorious and it ought to be paid. When the Government cancels contracts, under the circumstances herein outlined, the very least it should do is to reimburse the actual contractors for their actual losses sustained and paid in cash out of their funds.

The bill carries no appropriation for profits, interest or expenses; nothing but actual losses.

No man fully acquainted with the facts can possibly object to it.

Respectfully submitted,

THOMAS W. HARDWICK.

500 Shoreham Bldg., Washington, D. C.

November 19, 1935.

Attorney for Claimant.

74TH CONGRESS 2d Session

DOCUMENT No. 260

JOSEPH W. BYRNS, Juo. N. Garner, Vice President of the United States and

RELIEF OF THE COLLIER MANUFACTURING CO.—VETO -1994 S. q. 8 doy) 's barn of MESSAGE below the beautiful odw. The sions of War Department Board of Contract Adjustment). There after the Collier Manufacturing Co. brought suit against the United

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## The only thing in the contract that identified the plaintiff with them was MESSAGE

a right to deal with them and did so. MOST plaintiff had no enforceable cont

# THE PRESIDENT OF THE UNITED STATES

RETURNING

WITHOUT APPROVAL THE BILL (S. 1431) ENTITLED "AN ACT FOR THE RELIEF OF THE COLLIER MANUFACTURING COMPANY OF BARNESVILLE, GEORGIA" and hour popular hours of seasons and seasons and seasons and seasons are seasons as a season of seasons and seasons are seasons as a season of season of seasons are seasons as a season of seasons are seasons as a season of season of seasons are seasons as a season of season of seasons are season of season of season of seasons are season of seasons are season of seaso

paying such claim. In considering this matter I am mindful of the June 1 (calendar day, June 2), 1936.—Read; referred to the Committee on Claims and ordered to be printed the Government and principal contractors, may have sustained losses.
This act singles out the Collier Manufacturing Co. from the large

To the Senate: What older no make the state of the long to the lon

I return herewith, without my approval, Senate Bill No. 1431, entitled "An Act for the relief of the Collier Manufacturing Company, of Barnesville, Georgia''.

This act authorizes and directs the Secretary of the Treasury to pay to the Collier Manufacturing Co., of Barnesville, Ga., the sum of \$48,718.70 in full settlement of all claims against the Government for losses sustained on account of the manufacture of undershirts for the United States Army in the year 1918.

The claim which this act seeks to settle and pay grows out of three separate contracts made and entered into between the Government and Clift & Goodrich, who had the sole and exclusive control of the merchandise output of the Collier Manufacturing Co., each of which contracts provided for the manufacture and delivery of 120,000 summer, cotton-ribbed undershirts, the product of the Collier Manufacturing Co. In October 1918, supplemental contracts were entered into between Clift & Goodrich and the United States, which canceled the unperformed parts of the three contracts previously entered into between the contractor and the Government. The supplemental contract agreements contained the following provisions:

That \* \* \* any and all debts, liabilities, claims, or causes of action, if any, existing between the parties hereto, one against the other, by reason of or arising out of the aforementioned modifications of the original contract are hereby 52 - 61 released and discharged.

Thereafter the Collier Manufacturing Co. presented its claim before the War Department Board of Contract Adjustment, with the result that the board found the claimant had no contract either express or implied with the Government, the contracts having been in fact entered into between the Government and Clift & Goodrich (vol. 6, p. 461, Decisions of War Department Board of Contract Adjustment) and from this decision an appeal was taken to the Secretary of War, who affirmed the decision theretofore made (vol. 8, p. 8, Decisions of War Department Board of Contract Adjustment). Thereafter the Collier Manufacturing Co. brought suit against the United States in the Court of Claims which decided:

The only thing in the contract that identified the plaintiff with them was that the goods were to be of their make. But this was an undertaking by Clift & Goodrich so far as the Government is concerned, and having made the contract with them, whether they were sales agents of plaintiff or not, the Government had a right to deal with them and did so. The plaintiff had no enforceable contract with the Government. When the matter was heard before the Board of Contract Adjustment they came to that conclusion, and the conclusion was confirmed by the Secretary of War. (See Decisions of War Department, vol. 6, p. 461, and vol. 8, p. 8.) There being no contract, express or implied, between the Government and the plaintiff, it cannot recover (Collier Manufacturing Co. v. U. S., 61 C. Cls. 32).

Since this act seeks to pay to the beneficiary named therein, which had no contract with the Government, express or implied, losses which it is alleged to have sustained by reason of the cancelation of the contract between the United States and its contractor, Clift & Goodrich, the question is presented whether the Government is warranted in paying such claim. In considering this matter I am mindful of the fact that there must be a vast number of materialmen and subcontractors who, by reason of the cancelation of war contracts between the Government and principal contractors, may have sustained losses. This act singles out the Collier Manufacturing Co. from the large number of subcontractors and materialmen who may have been adversely affected by the cancelation of the war contracts and gives this company preferential treatment over those similarly situated.

For these reasons I am impelled to withhold my approval of the act for the relief of the Collier Manufacturing Co.

to must edit and selliveening to to Franklin D. Roosevelt.

United States Army in the year 1918.

THE WHITE HOUSE, June 1, 1936. In the most list of 07.817.848

The claim which this act seeks to settle and pay grows out office.

SEVENTY-FOURTH CONGRESS OF THE UNITED STATES OF AMERICA; AT THE SECOND SESSION, BEGUN AND HELD AT THE CITY OF WASHINGTON ON FRIDAY, THE THIRD DAY OF JANUARY, ONE THOUSAND NINE HUNDRED AND THIRTY-SIX

AN ACT For the relief of the Collier Manufacturing Company, of Barnesville, Georgia

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Collier Manufacturing Company, of Barnesville, Georgia, the sum of \$48,719.70 in full settlement of all claims against the Government for losses sustained by said Collier Manufacturing Company on account of the manufacture of undershirts for the United States Army in the year 1918: Provided, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect,

withhold, or receive any sum of the amount appropriated in this Act in excess of 10 per centum thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

> JOSEPH W. BYRNS, Speaker of the House of Representatives. JNO. N. GARNER, Vice President of the United States and

President of the Senate.

[Endorsement on back of bill:]

I certify that this act originated in the Senate.

E. A. HALSEY, Secretary.

FDR dismissed the Collier bill with a regular veto. Online sources report Roosevelt used the regular veto 372 times during his 4 terms of office.
But that wasn't the end of the story. Neither was successful, but similar bills were presented before the Senate in 1937 and the House of Representatives in 1949 (over 30 years after the end of WWI).
Here is the Senate Bill (S. 1866).

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agents, attorney or attorneys, on account of services ren-	2
III II MILLED ON ANTHER OF THE PROPERTY OF THE	3
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collect, withhold, or receive any sum of the amount appro-	5
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Mr. George introduced the following bill; which was read twice and re to the Committee on Claims	ferre
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# A BILL

For the relief of the Collier Manufacturing Company, of Barnesville, Georgia.

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11

# A BILL

The second by the Senate and House of Representatives of the United States of America in Congress assembled.

That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Collier Manufacturing Company.

The ment of all claims against the Government for losses sustained by said Collier Manufacturing Company on account a tained by said Collier Manufacturing Company on account of the manufacture of undershirts for the United States Army of the wear 1918: Provided, That no part of the amount of the sument of the summent of the summent

For the relief of the Collier Manufacturing Company, of Barnesville, Georgia.

By Mr. George

Read twice and referred to the Committee on Claims

March 15, 1937

Home Address: NEWNAN, GEORGIA

COMMITTEE ON WAYS AND MEANS

# Congress of the United States House of Representatives

Washington, D. C.

June 16, 1949

Mr. Durwood C. Collier Barnesville, Georgia

Dear Mr. Collier:

I am enclosing herewith a copy of the bill, H. R. 5079 which I introduced on June 8th providing for the relief of the Collier Manufacturing Company.

Please be assured that I will push this matter as promptly as possible. I will advise you when the date is set for hearing. With best wishes, I am

Sincerely yours,

A. Sidney Camp, M. C.

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encl.

81st CONGRESS 1st Session

# H. R. 5079

## IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1949

Mr. Camp introduced the following bill; which was referred to the Committee on the Judiciary

# A BILL

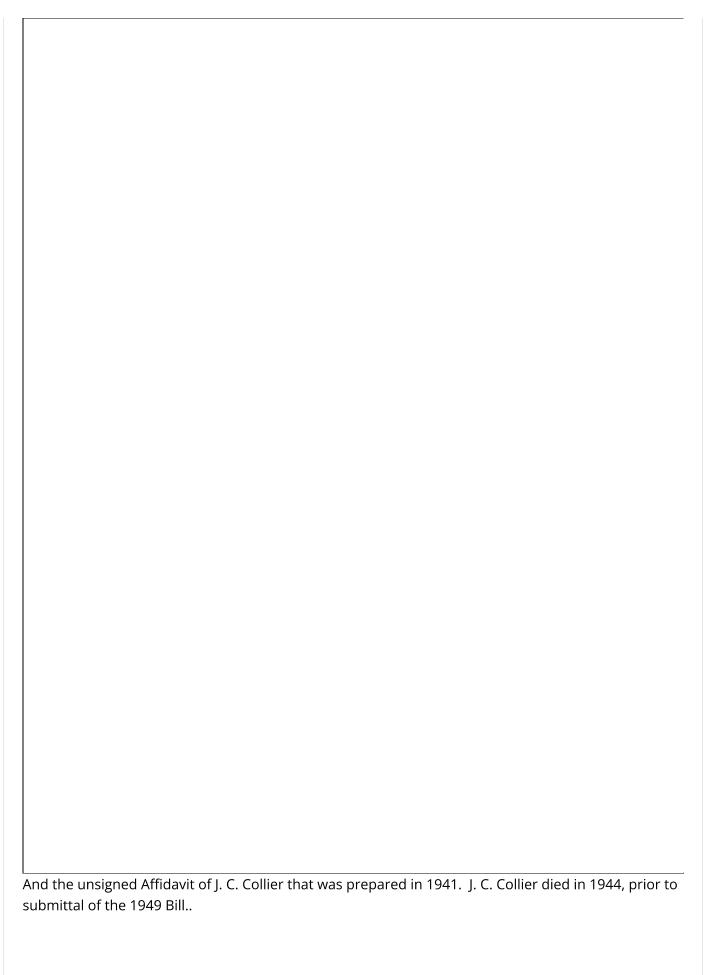
For the relief of the Collier Manufacturing Company, of Barnesville, Georgia.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 That the Secretary of the Treasury is hereby authorized and
- 4 directed to pay, out of any money in the Treasury not
- 5 otherwise appropriated, to the Collier Manufacturing Com-
- 6 pany, of Barnesville, Georgia, the sum of \$48,719.70, in
- 7 full settlement of all claims against the Government for
- 8 losses sustained by said Collier Manufacturing Company on
- 9 account of the manufacture of undershirts for the United
- 10 States Army in the year 1918: Provided, That no part of
- 11 the amount appropriated in this Act in excess of 10 per

1	centum thereof shall be paid or delivered to or received by
2	any agent or attorney on account of services rendered in
3	connection with this claim, and the same shall be unlawful,
4	any contract to the contrary notwithstanding. Any person
5	violating the provisions of this Act shall be deemed guilty
6	of a misdemeanor and upon conviction thereof shall be fined
7	in any sum not exceeding \$1,000.

JUNE 8, 1949  Referred to the Committee on the Judiciary	By Mr. Camp	For the relief of the Collier Manufacturing Company, of Barnesville, Georgia.	A BILL	81st CONGRESS 1st Session
949 ee on the Judiciary	AMP	ollier Manufacturing sville, Georgia.	Be Be	H. R. 5079

otherwise appropriated, to the Collier Manufacturing Comaccount of the manufacture of undershirts for the United



GEORGIA. LAMAR COUNTY:

My name is J. C. Collier, President of the Collier Manufacturing Company of Barnesville, Lamar county, Georgia, and under oath wish to state that I was President of the Collier Manufacturing Company in 1917, also 1918. I was the chief executive officer handling the up town office. Along in the spring of 1918 we received communications from the Depot Quartermaster's office of St. Louis asking for quotations for immediate delivery, also future delivery, on undershirts for the army. A little later we also received communications from the Depot quartermaster's office at Atlanta. We knew that the war was coming on and I went up and talked with the officials personally, soliciting their business, as at that time we were all willing and anxious to help all we could in the World War. We knew that the United States of America was fixing to join the allies. I received a sample from the Depot quartermaster's in Atlanta of the exact type of undershort wanted, I returned to Barnesville and took the matter up with my son, Mr. D.C.Collier, who was Vice-President and General Superintendent of the mill. We decided we could make the shirts very successfully and immediately got our samples and submitted them to the Atlanta quartermaster's office; the samples we submitted pleased the Atlanta Depot Quartermaster's office, we then sent on to our New York agents samples to be submitted to the Civilian Buying committee at their office on 16th Street, New York City. The army officials in Atlanta wished quick deliveries and suggested that we have Messrs Clift & Goodrich, the regular selling agents of the Collier Manufacturing Company to take the order and forward same on to the mill, as Clift & Goodrich had already

made a bond to the War Department and as the undershirts were wanted for the army quick; so we arranged to invoice same through Clift & Goodrich.

We did all negotiating direct with the War Department, first in St. Louis later in Atlanta, advising Messrs Clift & Goodrich of all the details and facts connected with the order.

I, then personally went on to New York City, called at the office of Clift & Goodrich and went with Mr. Goodrich up to the War department office on 16th street and secured the order. Mr. E. I. Goodrich of the Clift & Goodrich office was one of the civilian buying committee for the War Department.

The War Department owe the Collier Manufacturing Company for the merchandise manufactured for them.

We were in the War Department Forsyth Street office at Atlanta many times while manufacturing the army undershirts.

As Atlanta is only 56 miles away practically all of our negotiations were verbal. The contracts signed by Clift &n Goodrich, for the reasons stated, but all stated that the undershirts were to be made in the plant of the Collier Manufacturing Company at Barnesville, and they were to be shipped by the Collier Manufacturing Company to the Depot Quartermaster's office in Atlanta.

The Collier Manufacturing Company personally OK'd the orders with War Department before the order was forwarded to the mill through the office of the Collier Manufacturing Company agents, Messrs Clift & Goodrich. In taking these orders I first stopped in Washington and contacted the War Department officials of the temporary building near the Washington monument and back to the Army & Navy building.

I was instructed by the officials in charge that the buying was being done by the civilian purchasing committee

on 16th Street, New York City. I immediately went on to New York City and made all arrangements for taking an order for 120,000 garments.

We delivered first class merchandise and from a delivery of 60,000 knit undershirts we had about 6 rejects after being examined by the U.S. Army inspectors.

We had been in the knit undershirt business for 20 years, had a highly trained expert organization and sold to the largest firms in America such as: Lord & Taylor, New York City, Marshall Field & Co., Chicago, Ill, Rice-Stix Dry Goods Co., Eli Walker Dry Goods Co., St. Louis, Mo. and others. That is the class of trade we had and we served the biggest trade satisfactorily.

We ere not allowed to ship out any merchandise except a bill of lading first being furnished by the War Department office in Atlanta, but were given instructions to make up the undershirts as fast as possible for shipping, and this we did.

Department stopped sending us bills of lading so that we could ship out the undershirts that had been manufactured and that were being manufactured each day. We expected the Government to carry out their contracts with us, we had received three different orders from the government at different times, each order was 120,000 knit undershirts, or a total of 360,000. Along about September the government inspector slowed down and only inspected a few undershirts each day, they also became very technical, they gave us trouble. I made numerous trips to the civilian buying office on 16th street, New York City, my son also made two or three trips along at this time, urging the buying committee on 16th street to give instructions to the quartermester's Depot in Atlanta to give us shipping instructions for the merchandise that had been made, inspected

and cased. The War Department buying committee on 16th street, New York City office, were experienced knit goods merchants, they represented the War Department down at Washington and was civilian, not soldiers, one was connected with Bliss Fabian & Company; C.C. Valentine & Company; William Islein & Company, New York City, also Carson, Pirie Scott & Company, Chicago, etc., they recommended purchases to the War Department down in Washington.

Finally, the mill became so congested with no shipping orders for the merchandise made up I went to atlanta and also New York City and made another appeal to know why the War Department was not taking the merchandise made up for them. This trouble of non-delivery commenced the latter part of July 1918, and commenced to get very fierce in August. We would go to one Government official and they would refer us to another, we would go to Atlanta quartermaster's office and he would refer us to Washington, we would go to Washington and the Army official there would refer us to New York City, or some other department in Washington. Finally, along in September 1918 the War Department withdrew the inspectors. Along in the last week of October 1918 I was sitting in the office of War Knit Goods Committee talking to Harry Jacobson, one of the civilian officers connected me with the committee, when a rumer went through the building that Germany had surrendered. Two weeks later, on November 11th, I realized the trouble we were into as to deliveries, the war was slowing down and I was doing my best to have the War Department in Atlanta take over the merchandise before the war was stopped. These undershirts did not suit the civilian trade as it was a short sleeve no button garment made to pull down over one's head, they were also light weight summer garments and there was no demand for them in the regular trade, as the garment did not suit for the retail store selling.

Major Burger of Bliss Fabian & Company was the chairman of this Civilian Buying Committee/st Frankfost of Chicago was his assistant. Finally Major Burger made a proposition to Mr. D. C. Collier which was confirmed by him to me over the telephone, that if we would allow cancellation of the unfilled portion of these War contracts that they would take all the manufactured merchandise off of our hands, would pay the same, also pay us for reasonable losses sustained thereon. This happened the latter part of September, we accepted Major Burger's proposition; we thought we had it arranged in a verbal way but could not get anything in writing. We then returned from New York City back to Atlanta, we struggled on through the fall of 1918 and the spring of 1919 trying to get the War Department to accept and carry out the verbal agreement we had made with Major Burger and with Frankfoote, another government official. Finally in 1919 we remeived notice to place our claim before the Judge Advocate in Washington.

Now I knew as a business man, that is I thought I knew, that the Judge Advocate would find some technical point to rule against us, and he did. On the original order it stated plainly that the knit undershirts were to be made by the Collier Manufacturing Company, Barnesville, Ga. and to be shipped direct by the Collier Manufacturing Company, this is what we stood on when we went into the courts in Washington after hearing the Judge Advocate's decision. Our agents, Messrs Clift & Goodrich had no interest in the order except to get a commission of 3% of all merchandise shipped, and they received their commission. Messrs Clift & Goodrich made supplementary agreements with the War Department without our knowing it, and also cancelled the original contract at the same time without our knowledge and we did not find this out until March 1919. The Army officer that received this cancellation of this contract from Clift & Goodrich was named Shaffer. There was no clause in this

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supplemental contract other than it carried a cancellation of the original contract. At the time of the Cancellation Messrs Clift & Goodrich made three supplemental agreements dated October 18, 19 and 22, 1919 without our knowledge or instructions; all of these agreements were made by Clift & Goodrich without authority and without our knowledge or consent and our government owes us for this merchandise until this day. We have been trying for over twenty years to collect our money. Messrs Clift & Goodrich, without our knowledge, accepted cancellations of the Collier Manufacturing Company contracts to protect their contracts that their New York State Mills had with the War Department. Major Burger was not an Army officer, this was an honorary title given to him after he became buyer for the War Department. I knew Major Burger as a commercial man before the war, he was head of the Knit Goods department of Bliss, Pabian & Company of New York City.

He made the proposition that if the Collier Manufacturing Company would allow cancellation of the unfilled portion of the Army order that he would have the War department take all merchandise made up and pay for it, and reasonable damage made paid to us for special machinery and raw materials purchased to make up the Army orders. A few months after Mr. Burger admitted to me that there were tons of merchandise all over the country that the Army had no use for, this caused us to have to borrow a lots of money to help care for the enormous losses we sustained in accepting these Army orders. We bought much new machinery and changed about onehalf of our plant so as to make up the Army undershirts, our losses reached around \$50,000.00 exclusive of interest, we also had many railroad trips to New York and Washington, hotel bills, etc. We did not agree to the modifications of the contracts made by Clift & Goodrich and had no knowledge of it.

We finally discovered down in Washington along in March about 1919 that Clift & Goodrich had agreed to cancellation of the contracts of the Collier Manufacturing Company, (allowing us to sustain the loss) in order to collect damages for their New York State Mills that they were personally interested in.

The War Department of the U.S.Government were due the Collier Manufacturing Company in October 1918,348,719.70.

Mr D. C. Collier will testify to all the facts connected with the handling of the war contracts by the Collier Manufacturing Company, dated March 7, 1918, No.1164& for 120,000 garments, also dated May 6, 1918, No.2848A for 120,000 garments, also dated June 6, 1918, No.3735A for 120,000 garments. Mr. D. C. Collier was Vice-President of the Collier Manufacturing Company, General Manager, having charge of all manufacturing and all inside mill management.

We did not manufacture this merchandise for Clift & Goodrich but made the trade direct with quartermaster in Atlanta, Ga., same was confirmed by the Civilian Buying committee for the War department on 16th Street, New York City, but as we had a contract with Clift & Goodrich as selling agents, Clift & Goodrich also had a bond made with the War department regarding contracts and likewise were to secure 3% commission on all merchandise shipped by the Collier Manufacturing Company, we had them to enter the order and accept same with the War Department.

I wish to call attention to the letter of Clift & Goodrich to J.C.Collier in New York dated May 14, 1919, and signed by Clift & Goodrich, also a letter dated March 20, 1919 from the Zone Supply officer signed by Wm Parker Jr., Second Lieutenant, wartermasters Corps, Atlanta, Ga.

The battle of Chateau Thierry was July 15,1918 and along in September and October 1918 the government stopped sending instructions to ship and left us helpless with all this raw material, etc.

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Affiant is a man of \_\_\_\_\_\_ years of age, who is in feeble health and has undergone two operations in the last two or three years, and is recently recovering from an attack of "flu". Under these circumstances affiant does not feel physically able to attend in person upon the hearing of the bill for the relief of The Collier Manufacturing Company about to be heard before a sub-committee of the Senate Committee on Claims, and therefore undertakes to state in this affidavit the facts in connection with said claim so far as they come within his knowledge.

Sworn to al	nd su	beer	ibed	bei	fore i	ne,
this	day	of B	ebrua	ry	1941	•
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